

Jordan Times

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Soviet Jew tries to flee Israel to Egypt

CAIRO (AP) — A Soviet Jewish immigrant was caught illegally entering Egypt from Israel and told investigators he wanted to live "in Egypt or any other democratic Arab country," police said Saturday. A senior officer dealing with the case said the man, a teacher arrested trying to cross the border into Egypt's Sinai Peninsula, probably will be deported. The incident was the first reported infiltration by an immigrant since an influx of Soviet Jews into Israel began two years ago. "He told investigators that he wanted to escape a life of hardship in Israel to live in Egypt or any other democratic Arab country," the officer said by telephone from southern Sinai, where the immigrant is held. The officer transcribed the immigrant's name from Arabic as Gennady Shneidze, 31. The officer said an Egyptian policeman caught the man at Taba, a few kilometers from Eilat. He said the immigrant identified himself as a teacher who worked at Israel's ministry of scientific research. He carried only an Israeli identification card and told police Israeli authorities kept his Soviet passport after he arrived in the Jewish state last March. Police conscript Abdul Moneim Gouda came upon immigrant as he waded in shallow coastal waters at Taba around a metal fence marking the border.

Albanian refugees riot in Italy

BARI, Italy (AP) — Desperate Albanians rioted Saturday and burned down a Red Cross office as Italy forced thousands of the world-be refugees to leave their impoverished home across the Adriatic Sea. Italian police and soldiers, closely guarded by the violence, fought back with tear gas, large-edged wooden boards and iron rods. At one point Saturday hundreds of refugees at a food distribution point rushed police barricades, banged at food crates and were driven back by police and soldiers wielding clubs. No serious injuries were reported. The fighting created a nightmarish situation for Italian authorities, who had been relatively sympathetic to two previous waves of Albanian boat people in the past year. It appeared brute force might be the only way to make some Albanians return home. "I would prefer to commit suicide rather than to go back to Albania," said 22-year-old college student Adrian Lami, who said he was not involved in the violence. Despite the trouble, Italy stuck to its vow to send home the approximately 12,000 Albanians who sailed across the Adriatic to Bari last week, most jammed on a single ship.

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Amman named culture ur- of secretary

AMMAN (J.T.) — Mohammad Naji Amareh, was Saturday named under-secretary of the Ministry of Culture. Mr. Amareh, a poet, is a leading columnist with Al Rai Arabic daily. He replaces Dr. Hani Amm, who resumes teaching at the University of Jordan. Mr. Amareh was appointed by the cabinet during its session Saturday in which the cabinet starting a review of the draft of the new press and publications law. The Jordan News Agency, Petra reported.

Guards '19 in Madagascar

ANTANANARIVO, Madagascar (AP) — Guards fired Saturday on thousands of demonstrators marching on President Didier Ratsiraka's palace to demand his ouster, witnesses said. At least nine people were reported killed. Witnesses and Red Cross officials said that the shooting started about mid-afternoon on the road to Mr. Ratsiraka's bunker-like palace 12 kilometers south of the capital. A photographer for the French news agency Agence France-Presse at the scene said at least nine people were killed. Local Red Cross officials could not confirm the deaths, but said at least 100 people were injured. The photographer said that the soldiers hurled grenades and fired AK-47 assault rifles at the first ranks of an estimated 400,000 demonstrators. Ambulances were reported coming and going from the scene. Local Red Cross officials said strikers crowded choking the road prevented them from reaching the head of the demonstration, where they allegedly took place. The demonstrators were taking part in a "march for freedom" on foot and by car to protest demands for an end to Mr. Ratsiraka's 16-year rule in this nation off the southeast coast of Africa.

Arsonists torch Turkish tour bus in Greece

ATHENS (AP) — Arsonists torched a Turkish tour bus early Saturday, damaging the parked and empty vehicle. Police said the bus, owned by the Istanbul-based Durr Turizm Company, was parked in a lot near central Synagma Square when someone broke one of its windows, poured gasoline inside and set it ablaze. Firefighters from a nearby firehouse managed to put out the blaze before it completely destroyed the bus. The bus arrived here earlier this month with 45 Turkish tourists. No one was on the bus at the time of the fire. Government spokesman Vyras Polydoras condemned the arson and said "whatever motivations they have, arsonists had, they will not be allowed to upset relations with the country the bus came from." Greece is currently involved in negotiations to solve the Cyprus problem. President George Bush has said a conference on reuniting the island may be held next month in Greece. Turkey and Cyprus narrow their differences, heightening diplomatic activities in the three countries. The bus fire came four months after a Turk poured gasoline inside a Greek tour bus in Istanbul and set fire to it, killing 36 Greeks.

Saudi held marrying 10-year-old

NEW DELHI (R) — Airport police arrested a 60-year-old Saudi Arabian on charges of marrying a 10-year-old girl, marrying her without her consent and trying to smuggle her out of the country, the Press Trust of India (PTI) reported Saturday. The man, identified as Yahya Mohammad Al Sagir, was charged with buying the girl from her parents in the southern Indian city of Hyderabad for 6,000 rupees (\$240). Thursday, PTI quoted a deputy police commissioner as saying, An Indian Airline hostess grew suspicious when the girl Amina, cried uncontrollably during the flight from Hyderabad to New Delhi. The hostess demanded an explanation from the Saudi. He produced a marriage certificate which identified Amina as a 32-year-old woman. The airline crew called Delhi airport control tower, which in turn alerted police.

Promises and threats cloud hostage hopes

One group says American to be freed; another restates threat to kill Frenchman

BEIRUT (Agencies) — Lebanese kidnappers promised on Saturday to free an American hostage within 72 hours but another shadowy group renewed a threat to kill a Frenchman abducted two days ago if the release went ahead. The pro-Iranian Revolutionary Justice Organisation (RJO) said in a statement delivered to an international news agency it would free one of the two 60-year-old Americans it holds because of a United Nations initiative to end the hostage crisis. "An American hostage will be released in 72 hours and we ask (U.N. envoy Giandomenico) Picco to be in Damascus to participate in the handover and secure the presence of the United Nations," the RJO said. It said "important new horizons for negotiations on influential international levels were opened" by negotiations with Mr. Picco, a special envoy of U.N. Secretary-General Javier Perez de Cuellar.

commitment" said the statement, accompanied by a photograph of kidnapped accountant Joseph Cicippio, bearded and haggard. The RJO also holds book salesman and translator Edward Austin Tracy. Both Americans were kidnapped in Beirut in 1986. Five hours after the RJO statement, a telephone caller to international news agencies said only: "Take down this statement. A message by the sword bears more weight than one on paper. The blade draws the line between jest and seriousness." The statement in the name of the Organisation for Defending Prisoners' and Hostages' Rights (ODPHR) used an Arabic verse by the eighth century poet Abu Tammam making clear it would carry out its threat to kill French relief worker Jerome Leyraud. The group kidnapped Mr. Leyraud, 26, Thursday following British hostage John McCarthy's release by the pro-Iranian Islamic Jihad after five years in captivity. The kidnappers, who despite their varied names were thought to be the same Iranian-

backed faction, have always peppered their claims with religious phrases. But the verse by Abu Tammam, written in praise of a 7th century Arab king, was not religious. The verse is interpreted as "actions speak louder than words" and is believed to reflect a sharp split among the factions within Hizbollah (Party of God), the main Iranian-backed group in Lebanon, over whether to go ahead with negotiations. Attention on who might want to block the deal is focused on Abdul Hadi Hamadi, the head of security for Hizbollah, whose brothers Mohammad and Abbas are serving long sentences in Germany for extremist crimes. Even before Mr. McCarthy was released, the Organisation for the Defence of Prisoners' and Hostages' Rights claimed it exploded three grenades outside U.N. headquarters in Beirut. The statement claiming the attack was the first to drop the

Arafat says 'yes' to peace conference, with guarantees

TUNIS (Agencies) — Palestine Liberation Organisation (PLO) Chairman Yasser Arafat said Saturday the PLO agreed in principle to a Middle East peace conference — provided it had guarantees that international law would be applied to the occupied territories.

In a speech to mark the start of the 45th week of the Palestinian uprising, reported by the PLO news agency Wafa, Mr. Arafat said the PLO wanted guarantees that: — The aim of the conference will be to implement U.N. resolutions stipulating Israeli withdrawal from the territories occupied in 1967, including (Arab East) Jerusalem, and recognition of the Palestinian people's national rights and right to self-determination; — The PLO will decide how Palestinians are represented at the conference without outside interference; — Jerusalem and its Muslim and Christian holy places constitute "red lines" and any veto over Jerusalem is a veto over peace. (Arab East) Jerusalem must be represented, in substance and form, at all stages of peace; — All settlement activity in the Arab territories occupied in 1967, including Arab Jerusalem, must be stopped urgently; — International protection must be provided to "our people, our masses, our land and our holy places."

Israel has also given a qualified yes to the peace conference, with the United States and the Soviet Union want to hold in October. It says the Palestinian delegates must not be PLO members or Palestinian residents of East Jerusalem. It also refuses to stop building new settlements or promise to withdraw from the occupied territories. Mr. Arafat congratulated the team of three Palestinians who have met U.S. Secretary of State James Baker on his trips to the region and in Washington.

'Top-level' PLO team due here

AMMAN — A high-ranking Palestinian delegation is expected to arrive here next week to finalize Jordanian-Palestinian coordination efforts before the holding of a Middle East peace conference in October, sources said Saturday. While some sources said that Palestine Liberation Organisation (PLO) Chairman Yasser Arafat was expected in Amman "sometime next week," Palestinian sources only said that "a high-ranking delegation" was expected soon. An expected visit by Mahmoud Abbas (Abu Mazen) to Amman Saturday, at the end of consultations with Egyptian officials in Cairo, was apparently cancelled in anticipation of the arrival of more senior PLO officials within a week. Mr. Abbas was touring several Arab capitals in an effort to coordinate Arab stands vis-a-vis the proposed peace conference but he left Cairo for Tunis unexpectedly Saturday. Palestinian sources indicated that Mr. Abbas' reported visit to Amman was cancelled because of the planned visit of the more senior officials. They said they did not have concrete information on when the delegation was expected in Jordan or who it would be composed of. It is expected that an announcement of the PLO position towards forming a joint Jordanian-Palestinian delegation will be announced concurrently with a visit by Mr. Arafat to Amman. "We do not expect to have the PLO leader in Amman until the organisation has taken a final decision on the proposed peace conference," an official told the Jordan Times. But he added that "coordination and dialogue" between His Majesty King Hussein and the PLO leader "were necessary and vital at this juncture in Middle East peace effort."

Iraqi Kurds warn PKK; Turkey under criticism

ZAQHO, Iraq (Agencies) — Iraqi Kurds say cross-border attacks by Turkish troops this week have hardened their opposition to Turkish rebel Kurds and their violent independence campaign. "The fight between the Turks and the PKK is occurring on our land is killing our people. And that can only strengthen our detractors," said Siamand Banaa, a senior adviser to Kurdish Democratic Party (KDP) leader Masoud Barzani. Tension has been growing in recent months between the Kurdish Workers Party (PKK), which seeks an independent state for Kurds in Turkey, and autonomy-seeking Iraqi Kurdish political parties. Iraqi Kurds criticise the PKK's guerrilla methods and accuse it of undermining their efforts to forge a lasting peace in northern Iraq. "We have been fighting for many long years," said one Kurdish guerrilla in northern Iraq. "But we have never crossed the border into Turkey to launch our attacks. "It seems to me that the PKK is making trouble for us on purpose to frustrate us in our goals," he said.

"The PKK must stay on their side of the border. We will not shelter them. We will not provide them with help." Over the past week the Turks have used planes, helicopters and troops to strike at suspected PKK bases inside Iraq. The Iraqi Kurds say they will defend themselves if the raids continue to threaten the civilian population. Turkish commandos crushed the last resistance at a Turkish Kurdish rebel training camp in northern Iraq Saturday, completing the mission of the military incursion, Premier Mesut Yilmaz said. "There is no more resistance and the gendarmic commandos are in the last stage of the operation to wipe out the place," Mr. Yilmaz told reporters in the resort town of Abant near Ankara. "The operation achieved its goal." Turkey launched the military incursion into northern Iraq early last Monday to destroy Turkish Kurdish rebel strongholds and to try to prevent the guerrillas from staging cross-border attacks into Turkey. Mr. Yilmaz said the military

operation could have been completed sooner, but it would have meant higher casualties among Turkish soldiers. The military reported that only one soldier was killed in the incursion. The premier said the Turkish troops would withdraw soon but only after taking every "necessary security measure" in the area. He did not elaborate, but Turkey has declared a five-kilometre-deep buffer zone along the Iraqi side of the 320-kilometre border. Iran's state-run radio Saturday criticised the Turkish offensive, saying Ankara's explanations for the foray were similar to Iraq's justifications for invading Kuwait. Tehran Radio, voicing Iran's first reaction to the offensive, said it "seriously violated international law." Turkey's argument that it did not need a so-called hot pursuit agreement for an attack to stamp out "terrorist" bases had no legal basis, the radio added. "Experts say Iraq's invasion of Kuwait, too, was mounted with

King, Crown Prince meet Alatas

Indonesia ready to boost imports from Jordan

AMMAN (J.T.) — His Majesty King Hussein received Saturday at the Royal Court Indonesian Foreign Minister Ali Alatas and discussed with him bilateral relations and ways of promoting them as well as the situation in the Middle East. The meeting was attended by Foreign Minister Abdullah Ensour. His Royal Highness Crown Prince Hassan also met with Mr. Alatas and briefed him on Jordan's stands on the Gulf crisis and its effects on Jordan. The meeting discussed the Middle East problem and efforts exerted to resolve it. Prince Hassan commended relations between Jordan and Indonesia and called for enhancing them in the future. The meeting was attended by Foreign Minister Ensour and members of the delegation accompanying the Indonesian minister. Later in a statement to the Jordan News Agency, Petra, Mr. Alatas voiced his country's readiness to increase its purchases of Jordanian phosphates and potash as well as industrial products. He said increased trade could bolster bilateral economic relations. The minister, who was speaking at a meeting with a Jordanian economic team at the Ministry of



Industry and Trade, lauded ties between his country and Jordan and stressed that the two countries have genuine desire to promote economic cooperation. At the start of the meeting, Minister of Industry and Trade

No cabinet reshuffle imminent

By Nermeen Murad
Jordan Times Staff Reporter

AMMAN — Government sources Saturday scotched reports of an impending government reshuffle saying that such a move was not likely before late September or early October when invitations are issued for the planned Middle East conference. The sources confirmed that at least two members of Prime Minister Taher Masri's cabinet are likely to resign from the government when Jordan accepts an invitation to the peace conference but that even these two ministers' positions "may be swayed by a positive response from the Palestine Liberation Organisation (PLO)." Reports have been spreading of an immediate cabinet reshuffle to broaden the political base of the government and incorporate heads of emerging political parties in the country. Some parliamentary sources have said that a major reshuffle was expected in the middle of this month. Yet informed sources insist that while a cabinet reshuffle may strive to bring in representatives of more political groups and parliamentary blocs "it would not be solely motivated by that consideration."

"When we hear the PLO's decision on a joint delegation and receive invitations to the conference, the cabinet will meet and ministers will be asked if they want to remain in the government or not," an informed source told the Jordan Times on condition of anonymity. "It will be solely the decision of the ministers and it will not be imposed on them," he added. Cracks appeared in the ranks of the government after

Jordan has assurances of aid, confident of economic course

By Nermeen Murad
Jordan Times Staff Reporter

AMMAN — Jordan has received assurances that it would receive continued European and Japanese economic assistance in 1992 of the same kind it received this year, and such aid will help the Kingdom make the necessary adjustments agreed with the International Monetary Fund (IMF) and the World Bank, a senior official said Saturday. "Jordan is willing to cooperate with international lending agencies and intends to discuss seriously with their representatives its economic plan for next year and apply all the required adjustments," the official, who requested anonymity, told the Jordan Times. According to the official, "Jordan has received assurances bordering on guarantees" that European and Japanese aid to Jordan will continue into 1992 and the aid will be proportionate to the amount received in 1991 to alleviate the economic problems faced by the Kingdom as a result of the Gulf crisis. The Kingdom had received pledges of close to \$900 million in financial assistance from European Community (EC) members and Japan as well as non-EC European countries. Part of this assistance is in the form of outright grants and part in soft-term loans. The aid would allow the Kingdom's economic planners to adhere to conditions laid down by the IMF under an economic restructuring programme, according to economic analysts. Normal IMF conditions require its members to adjust balance deficits through austerity measures, including removal of subsidies, free market prices, balancing trade by reducing imports and floating foreign exchange rates and reducing government interference in marketing and investment. Although the exact details of the programme IMF has suggested to Jordan are not yet known, economists believe that most of these austerity measures are included. "The IMF requires all these steps out of its philosophy that private investment is the most

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Israeli troops kill two West Bankers

OCCUPIED JERUSALEM (Agencies) — Israeli soldiers Saturday shot to death two Palestinians in the occupied West Bank, the military command said. In Nablus, the West Bank's largest town, 21-year-old Mohammad Yamin was shot in the back when an army patrol chased him through the central market, residents reported. Mr. Yamin later died at the city's Anglican hospital. The army claimed Mr. Yamin was armed with a knife and was shot after he refused the soldiers' orders to stop. In Tulkarim, troops shot and killed 16-year-old Raed Jalad, reports said. The killing ignited stone-throwing clashes in the town and the army declared it a "closed military zone," banning entry. The military said Mr. Jalad was seen in a group of three masked men who carried a firebomb and erected a roadblock. The soldiers opened fire at them after the group fled, refusing orders to stop, the army command added. Also Saturday, Mr. Abdallah Al Araj, 45, of Bethlehem in the West Bank, was found dead in a nearby village, Israel Radio said. Arab reporters said Mr. Araj was beaten and stabbed to death by masked assailants who kidnapped him from his home Friday night, accusing him of being a pro-Israeli collaborator. Police, meanwhile, reported numerous stone-throwing incidents in Arab Jerusalem Saturday. Israel Radio said a Jewish man was slightly hurt in the head by an empty bottle thrown at him in the walled Old City. Arab youths also buried stones at the Old City house of Housing Minister Ariel Sharon, a leading Israeli hawk, it said. The radio added that 12 Palestinians were detained for questioning.

Dozens of demonstrators threw stones and bottles at police near the Damascus Gate, one of the entrances to Jerusalem's Old City. Police fired tear gas and rubber bullets to disperse them. In Bethlehem, shots were fired Friday night at an army outpost but no one was injured, Israel Radio said. Soldiers searched the area and found five empty shells. Palestinian sources said a curfew was imposed on the town and people were barred from entering or leaving. An Israeli settler who recently emigrated from the Soviet Union, was stabbed to death near Tel Aviv, Israel Radio reported Friday. A passerby found the 49-year-old man in an empty site and tried unsuccessfully to revive him, according to the report. Police said the killing may have been motivated by nationalist sentiments.

In the occupied Gaza Strip, a Palestinian youth shot by Israeli soldiers on August 5 died of his wounds Friday, Palestinian sources said. Yaacoub Al Mushalah, 17, took part in a demonstration at the Shati refugee camp on what Palestinians said was the most violent day in the Gaza Strip in recent months. Soldiers shot him in the head and arm. He died in an Israeli hospital. The demonstration erupted after undercover Israeli soldiers shot dead a masked Palestinian who was painting slogans on a wall, Palestinian sources said. Some 13 other Palestinians were wounded in the clashes. The camp, home to some 30,000 Arabs, has been under curfew since the violence. Mr. Mushalah was buried by relatives just outside the camp on Friday night, escorted by soldiers.

Baghdad assails OIC ministers' statement

NICOSIA (Agencies) — Baghdad Saturday lashed out at the Organisation of the Islamic Conference (OIC) for condemning Iraq's invasion of Kuwait and demanding compensation for human or material losses. The Iraqi News Agency (INA) quoted a Foreign Ministry spokesman as saying that "cheating, bribery and blackmail" were behind the condemnation. The foreign ministers attending the five-day OIC meeting in Istanbul, Turkey, issued the communiqué Thursday. In its first such meeting since the Gulf war, the OIC said Iraq was "fully responsible for the human and material damages inflicted upon Kuwait and other countries." Iraq was also condemned for "persecuting, torturing and killing Kuwait citizens, plundering

public and private property and setting fire to and sabotaging oil wells." The Iraqi delegate at the meeting had failed to convince the conference to call for a lifting of U.N. sanctions against Iraq, imposed after its invasion on Aug. 2, 1990. The Foreign Ministry spokesman said the conference was "merely implementing an American plot to expose the Iraqi people to a severe humanitarian tragedy." INA quoted him as saying that the "American" resolution contained misleading information and lies. He praised Islamic countries "which defended justice and bravely faced the American current dominating the conference."

On the Occasion of His Majesty King Hussein's accession to the Throne

ARAB BANK

has the honour to convey to HIS MAJESTY KING HUSSEIN its felicitations and most cordial wishes

U.N. nuclear team leaves Iraq with new list of material

BAGHDAD (Agencies) — Iraq has turned over a list of its nuclear material imported from Europe to a U.N. inspection team, the chief inspector said Saturday.

David Kay, leader of the 20-member team which departed Saturday after a two-week visit, said the government claimed the list was complete.

"But I am not sure the list came from Europe or it was complete," Mr. Kay said.

He said another U.N. inspection would come to Iraq in three or four weeks.

"We are still not sure that we have a complete understanding and we are still discovering further information," Mr. Kay said.

"We still have some gaps and despite the Iraqis' cooperation, we still have some information that we requested and we have not received yet," he said.

Under Security Council Resolution 687, all of Iraq's weapons of mass destruction must be destroyed. Mr. Kay's group from the International Atomic Energy Agency (IAEA) in Vienna is one of several groups that have been investigating the country's weapons capability.

Mr. Kay said Friday that it was clear Iraq's programme for enriching uranium, which his visit has focused on, was not for peaceful purposes.

On Saturday, he said his team had visited about 15 nuclear sites, but he gave no details. He said the team was taking back about 100 samples of material and more than 1,000 papers and documents related to Iraq's nuclear programme.

Mr. Kay said Friday secrecy surrounding the Iraqi nuclear programme and the cost of the methods employed made no sense for a peaceful programme.

But he stopped short of saying whether he thought Iraq had produced a bomb.

"The three methods of uranium enrichment... were not programmes that were designed to produce enriched uranium for a peaceful programme," he told reporters.

"They do not appear to be in fitting with the requirements of that programme. They were conducted in secret and at cost yields that would have made sense only for a programme dedicated to non-peaceful uses."

Mr. Kay described the quality of the Iraqi programme and its facilities as world-class. He said the scientists were well trained, the programmes "superbly managed" and the facilities superb.

Iraq has said its nuclear programmes were for peaceful research. The United States has accused it of lying to conceal a secret nuclear weapons programme and has threatened fresh military strikes if it does not come clean on nuclear secrets.

Asked whether he thought Iraq was able to make nuclear weapons but had not yet done so, Mr. Kay replied: "That's the important question which we are still trying to answer... it is a very important question for both Iraq and the world so it's not one you want to pop off a quick answer to."

Mr. Kay, who led a second team which flushed out evidence of Iraq's secret uranium enrichment programme, said the Iraqis had given his latest team full cooperation when it came to inspecting sites, even at short notice.

But Mr. Kay described some Iraqis as less cooperative when it came to answering questions.

"We have not had the same degree of cooperation when we have asked questions to elicit information. There have been occasions when people have simply refused to answer directly

a question or have not answered with what are full and frank responses."

Mr. Kay said Iraq had told the team it had begun its first uranium enrichment programme in 1984. It used three methods, electromagnetic isotopic separation, centrifugal separation and chemical separation to enrich uranium — a first step towards developing a nuclear warhead.

It has also admitted a fourth programme for acquiring plutonium, a substance almost exclusively used in nuclear weapons productions.

Iraq has admitted slightly enriching half a kilogramme of uranium and producing plutonium. Mr. Kay said the amount of plutonium handed over totalled 5.26 grammes, a tiny amount.

He said Iraq put the cost of the programme — which included home-built equipment for electromagnetic isotope separation — at \$1 billion.

Mr. Kay said he and his latest team still did not have a complete picture of its nuclear capability. He said the Iraqis had tried to deceive inspectors till very recently.

"We still do not have all the stuff that was dispersed, buried and destroyed by the Iraqis during the deception phase. Whether the deception phase is over with regard to other items yet undetected is what I cannot say."

But he said that the inspection process could be over and the monitoring and verification stage could begin within months if Iraq started responding "completely, openly and fully as possible to questions."

U.N. officials said Friday that there was no indication that Iraqi soldiers were violating the terms of the Gulf war ceasefire by removing weapons from the demilitarised zone along the Iraq-Kuwait border.

Major-General Gunther Greindl, the chief military observer of the 300-member U.N. Iraq-Kuwait Observation Mission (UNIKOM), said Iraqi civilians were removing ordnance from Iraq's side of the demilitarised zone and were not intruding into Kuwait.

Officials at U.N. headquarters released the text of a message from Gen. Greindl which was submitted in response to an article published Thursday in the New York Times.

The Times article said Iraqi soldiers dressed as civilians have made several night incursions into Kuwait to retrieve military stockpiles, including Scud missiles, left behind during their retreat in the Gulf war.

But in his message, Gen. Greindl said: "All removal activities by the Iraqis are carried out by civilians and are well within the Iraqi side of the demilitarised zone."

The message did not indicate how the U.N. observers were able to distinguish Iraqi soldiers from civilians.

Under the ceasefire resolution, Iraqi and Kuwaiti troops are prohibited from entering the demilitarised zone, but it does not explicitly bar civilians from removing or clearing away unexploded military ordnance.

Gen. Greindl said many Iraqi civilians are living in Iraq's part of the demilitarised zone, and UNIKOM observers have "witnessed uncontrolled explosions and civilian casualties caused by unexploded ordnance."

U.N. officials said that military intrusions by both sides appear to be accidental and caused by the unmarked or poorly demarcated border.

Gen. Greindl said UNIKOM "has no reason to believe that any of the (territorial) violations were premeditated."

U.S. 'favours' change in Iraqi leadership

WASHINGTON (USIA) — The United States favours a change in Iraq's leadership but will not intervene directly to bring that change about, David Mack, deputy assistant secretary of state for Near Eastern and South Asian Affairs, said at a meeting of Iraqi opposition groups in Washington Aug. 2.

Mr. Mack addressed a strategy session conference held by Iraqi opposition groups based in the United States, Europe and the Middle East, and sponsored by a group calling itself the Independent Assembly of Iraq.

"The United States continues to support Iraq's sovereignty and territorial integrity but would prefer a new Iraqi leadership: one responsive to the needs of the Iraqi people and willing to live in peace with its neighbours," he said.

However, Mr. Mack stressed that the United States "will not intervene directly to shape a new Iraqi government. The form and composition of a regime to succeed Saddam Hussein are for the people of Iraq to decide."

What the United States will do is continue to "lead the international community in maintaining persistent pressure on the current Iraqi regime and denying it a place in normal relations among governments," he said.

In order to maintain this pressure, the United States favours the continuation of economic sanctions "as long as Saddam Hussein remains in power," Mr. Mack said.

"The international community must demand nothing less than Iraq's full compliance with all its U.N.-mandated obligations," he said.

"Time is not on Iraq's side so long as Saddam holds on to power. Iraq will not participate in post-crisis political, economic and security arrangements in the Gulf region until there is a change in regime. We are ready to work with a successor government in Baghdad if the Iraqi people change their government," Mr. Mack said.

"From the outset of the Gulf crisis a year ago, the president made clear that our problem is not with the Iraqi people but with their leadership and especially Saddam. This remains the case. There are clear procedures for modifying burdensome sanctions and reparations if there is a change in the nature of the government in Baghdad."

"However — and let me be very clear on this — we will not intervene directly to shape a new Iraqi government. The form and composition of a regime to succeed Saddam Hussein are for the people of Iraq to decide."

"Nor are we calling for a popular rebellion with the massive human suffering that entails. But we will help lead the international community in maintaining persistent pressure on the current Iraqi regime and denying it a place in normal relations among governments."

"We are in accord with our allies on this basic line of policy, and at the London summit we jointly resolved that the Iraqi people deserve the opportunity to choose their leadership openly and democratically."

But the official said this itself would not be enough. Syria also had to cooperate more in the war against drugs.

At the moment, the U.S. Congress has prohibited aid to Damascus or approval of loans from international financial institutions such as the World Bank and International Monetary Fund.

The ban is in effect because the U.S. lists Syria as a state that supports terrorism and because U.S. officials feel it has failed to take adequate steps against drugs trafficking.

"We can't provide assistance and we vote against their loans in the international banks and institutions. That will continue to be the case unless it was decided that they had reached a level of cooperation that would take away the certification," the official said.

He said there were "figures" in the Syrian regime suspected of being involved in the drug trade, though the United States has never said it was Mr. Assad's policy to promote trafficking.

The official noted that just before one of Mr. Baker's recent visits to Damascus, the Syrians announced the seizure of about 40 metric tonnes of hashish, arrested several people and publicly burned the drugs.

But he said the action appeared to be more cosmetic than a sign of a real effort to stamp out the practice.

The U.S. State Department's latest annual international narcotics control report issued in March said Syria was a transit point for illicit drugs.

One key aim is to get Syria off the U.S. list of states seen as supporting terrorism, which in turn would pave the way for Western aid, said Martin Indyk, director of the Washington Institute for Near East Policy.

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Handicapped persons to receive training

SALT (Petra) — The Ministry of Social Development plans to expand special education for handicapped children and will exempt special cases for handicapped drivers from customs duty, Minister of Social Development Awad Al Shalbi announced Saturday.

Opening a training course in special education at Al Manar School in Salt, Dr. Bashir said that the ministry was keen on spreading rehabilitation services to all handicapped persons, including the mentally retarded, those with physical disabilities, the blind and the hearing impaired.

The minister said that he hoped such programmes would be implemented in cooperation with the private charitable institutions and voluntary centres.

Dr. Bashir said that a special education centre for handicapped adults was recently opened in Karak and the ministry is planning a similar centre in Jerash. Handicapped persons will be the responsibility of the Ministry of Social Development, which is determined to provide them with special training and to give them employment, he said.

The minister called on parents of handicapped children to register them with the ministry, which is holding training courses for them.

Baghdad hits OIC statement

(Continued from page 1)

Iraq's clerics issued a separate condemnation through Minister of Awqaf and Religious Endowments Abdullah Fadel.

He said the condemnation was "unfair and not compatible with Islamic principles, but conforming with the imperialist interests and their reactionary regimes, with an Islamic cover."

Mr. Fadel said the resolution, by not calling for the lifting of sanctions, basically supported the death of 18 million people in Iraq by starvation and should be considered treason to Islam.

The U.S. representative at the United Nations Friday played down Iraq's rejection of a proposed Security Council resolution to allow Baghdad to sell a quantity of oil to buy food and other civilian goods.

"I would say stand by for further word," Thomas Pickering told reporters.

"They (the Iraqis) have said this before with respect to all kinds of resolutions. But it would be clear under those circumstances that (Iraqi President) Saddam Hussein would be actually blocking the humanitarian aid to his own people that he purports to be in favour of."

Mr. Pickering said he did not want to predict what Iraq would do eventually, "but I would say stand by. This is a common practice with them."

The resolution, expected to be adopted by the Security Council next week, would permit the sale of up to \$1.6 billion worth of Iraqi oil over a six-month period.

Purchasers would pay the full cost into a U.N. escrow account from which about \$1 billion would be available for buying, under strict U.N. controls, food, medicine and other items needed by Iraqi civilians.

The rest of the money would be used to pay war reparations over the cost of finding and destroying Iraq's nuclear and weapons potential, overseeing the return of Kuwait property and paying half the cost of a U.N. commission demarcating the Iraq-Kuwait border.

Iraq's U.N. representative, Abdul Amir Al Anbari, has repeatedly rejected the terms of the resolution.

Squatters hindering efforts to reopen Jordanian embassy in Beirut

By P.V. Vivekanand
Jordan Times Staff Reporter

AMMAN — Squatters occupying the Jordanian embassy in Beirut are blocking efforts to reopen the mission after a nine-year closure, and although the Jordanian government has sought help from the Lebanese authorities, a solution does not seem to be easy to reach.

Officials said the Foreign Ministry remains hopeful that a settlement to the problem would be found soon. The problem is not confined to the Jordanian mission and involves thousands of other buildings in Beirut taken over by Lebanese as well as others displaced from other parts of the war-ravaged country.

"We have requested (that) the Lebanese government evict those people from the embassy building so that we can take possession," said Osama Ghazzawi, head of the bilateral and political relations at the Foreign Ministry.

Atif Halasa, the Jordanian charge d'affaires, arrived in the Lebanese capital on July 21 to prepare for the reopening of the mission and is in contact with the Lebanese authorities, another official said.

"We don't think it will take much longer" before the squatters are removed and refurbishing could be carried out prior to the formal reopening of the mission, said the official, who requested anonymity.

"Some of the squatters have already left the building but others remain," he said.

The problem of squatters in Beirut dates back to mid-1970s, when thousands fled civil war violence to the relative safety of west Beirut and occupied vacant

buildings. During the 16 years of civil war, there has been a continued flow of refugees to the Lebanese capital, clogging its housing infrastructure.

Further worsening the situation was the heavy destruction that Beirut suffered. Hundreds of buildings have been totally razed and there is an acute housing shortage in the capital.

Jordan scaled down its diplomatic presence and then closed the mission and recalled all Jordanian diplomats and staff shortly after the Israeli army invaded Lebanon in June 1982.

Shortly thereafter, the squatters, moved into the mission, situated in the Al Rouché District of Beirut, and are now resisting moves to evacuate them from the building.

While many Beirut squatters left their temporary refuge and fled back south to escape the off-again-on-again bouts of violence in the capital, the Jordanian building — along with many other diplomatic missions and other buildings left vacant by their governments — remained occupied almost throughout, according to Beirut residents.

The issue of squating has become so thorny that the government of President Elias Hrawi, which is trying to restore peace and stability to the country after 16 years of violence, has ordered a freeze on all eviction moves, said Lebanese businessman Riyadh Khoury, who shuttles between Amman and Beirut.

The Jordanian case may be different since it involves diplomatic property and international conventions but "it is really difficult to see the Lebanese Interior Ministry using force to

evict the squatters from the building," Mr. Khoury said.

The Lebanese Interior Ministry has ruled that immediate action will be taken in all cases of squatting which occurred after Jan. 1, 1991. The ruling implies that cases involving people occupying buildings before this date have to await basic solutions to the low-cost housing shortage in the country.

Mr. Khoury and other Lebanese sources said that in many cases the actual owners of the buildings struck deals with the squatters — mostly "compensation" to move out — to repossess their property.

"In other cases owners have to use to strong-arm tactics and threats to get the squatters out," Mr. Khoury said.

"As long as the government cannot offer alternate, low-cost housing, the problem cannot be resolved, particularly that the authorities have all but ruled out the use of force to evict squatters," he said. "Hundreds of buildings are occupied by squatters in Beirut and it is an awesome task for the government to evacuate them."

Meanwhile, the Jordanian community in Lebanon is slowly growing as efforts by the Beirut government to restore law and order after 16 years of civil strife are making steady progress.

Many Jordanian businessmen who used to maintain offices in Beirut are preparing to resume their Lebanon-based operations.

"I hope to be back in Beirut by Oct. 1," said Hassan Tahboub, who used to broker imports to the Gulf states with European suppliers. "By then, I think the situation will be clear."

Queen Noor receives Indonesian foreign minister's wife, discusses Third World development problems

AMMAN (J.T.) — Her Majesty Queen Noor Saturday received at Al Ma'wa Palace Junia Alatas, wife of the Indonesian Minister of Foreign Affairs, currently on a visit to Jordan.

During the meeting, Queen Noor and the Indonesian guest discussed the challenges that face developing countries, especially in the areas of social development and quality of life improvement. Her Majesty briefed her guest on Noor Al Hussein Foundation's different projects in these fields.

Queen Noor also explained to Mrs. Alatas the socio-economic conditions prevailing in Jordan in the wake of the Gulf war and measures taken to combat the rising poverty and unemployment. Possible means of future cooperation and cultural exchange between the two countries were also part of the discussion.

Accompanying Mrs. Alatas were the wives of Jordan's foreign minister and Jordan's ambassador to Indonesia and the Indonesian Charge d'affaires in Amman.

Mrs. Alatas later visited the NHF's trade and design centre and inspected various products display.

The distinguished guest was later accompanied by officials on a visit to the National Pottery Centre run by the Queen Alia Social Welfare Fund. She was briefed on the centre's development and inspected its products.

The centre was established in 1990 for the sake of enabling families to increase their income by producing handicraft products reflecting Jordan's cultural heritage.

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Jordan celebrates 39th anniversary of King Hussein's accession to throne

AMMAN (Petra) — Jordan Sunday celebrates the 39th anniversary of His Majesty King Hussein's accession to the throne.

On Aug. 11, 1952, the then 17-year-old Prince became King of Jordan, continuing the march of the Great Arab Revolt against backwardness, colonialism and ignorance.

In celebrating the anniversary, Jordanians take pride in the comprehensive development which covered all aspects of life and which placed Jordan in the forefront of the region's countries.

The great and intensive efforts made by King Hussein to contain the financial and economic crisis which the country has passed through give confidence in the strength of the Jordanian economy.

The principles King Hussein has delineated for the government's performance are a translation of the approach which can really fulfill the people's aspirations restoring the economical balance and modernising the administrative apparatus, enhancing bases of social justice and fighting corruption.

The King has also been keen on safeguarding democracy and has therefore encouraged dialogue between the citizens and officials and restored parliamentary life.

The King has also formed a special commission to draft a national charter, based on the Jordanian constitution and the principles of the Great Arab Revolution.

volit. The anniversary finds King Hussein deeply involved in efforts to promote the Palestinian cause and to support the Palestinian uprising.

At pan-Arab level, the King has succeeded in achieving agreement and consensus among Arab leaders, and has done every possible effort to fulfill the aspirations of the Arab Nation in providing a bright future for the Arab citizen.

He contributed effectively to the formation of the Arab Cooperation Council (ACC), which groups Jordan, Iraq, Egypt and Yemen.

His historic decision to sever legal and administrative relations with the occupied West Bank gave a new impetus to the Palestinian uprising which Jordan has fully supported at all levels.

The decision constituted a turning point in the history of Arab-Israeli conflict, because it implied that the United States and Israel should deal directly with the Palestinian people in search for a solution to their problem.

On the occasion, King Hussein received several congratulatory cables from senior government officials. The cables, expressed congratulations on the occasion, recalling some of the King's pan-Arab stands and his untiring efforts to achieve the welfare and the interest of the whole Arab Nation.



Kindergarten teachers given diplomas by Queen Noor for completing course

AMMAN (J.T.) — A group of 39 teachers employed by kindergartens run by charitable organisations in the Jordan Valley region Saturday received their diplomas from Her Majesty Queen Noor for successfully completing a week-long training course in kindergarten teaching organised by the Friends of the Children Club in cooperation with the United Nations Children's Fund (UNICEF).

The Queen distributed the diplomas to the teachers at the Amra garden in Amman in the presence of the club's director and a UNICEF representative.

It was in February of this year that the Queen visited the Deir Alla District in the Central Jordan Valley region. Her visit focused mainly on the charitable societies work and services like kindergartens as well as other projects for women.

As a follow up to visit, con-



Her Majesty Queen Noor Saturday hands out diplomas to kindergarten teachers who finished a special course (Petra photo)

cerned authorities moved to improve the living conditions of the local inhabitants and upgrade services rendered by the charitable societies at the local women and child development centres.

The female teachers, who received their diplomas from the Queen Saturday are employed by kindergartens run by 13 charitable societies in the Jordan Valley.

Their training included educational drama, puppet shows,

music and educational methods for the children. The participants, whose upgraded work will benefit 900 children took part in workshops designed to help raise their efficiency in improving the children's learning capabilities.

According to the Jordan News Agency, Petra, the training course aimed to enhance the teachers' capabilities in dealing with the children at the kindergarten level through children's growth programmes and sound methods in teaching children reading and writing skills.

The club's director thanked the Queen for sponsoring the project and for her continued care to promote children's development programmes.

UNICEF representative Toma Al Hazu expressed the organisation's satisfaction over the opportunity to contribute to the organisation of such training course which benefit Jordanian children.

Industrial fair promotes Jordanian products

AMMAN (Petra) — A two week industrial fair was opened Saturday by Deputy Prime Minister and Transport Minister Ali Subeimat, who deputised for His Royal Highness Crown Prince Hassan.

The fair, held at the Amman International Fair Centre at Marj Al Hamam as part of Jordan's celebrations of the anniversary of His Majesty King Hussein's accession to the throne, displays samples of products by 137 Jordanian industrial firms and is designed to focus public attention on the national industry and encourage Jordanians to buy national products.

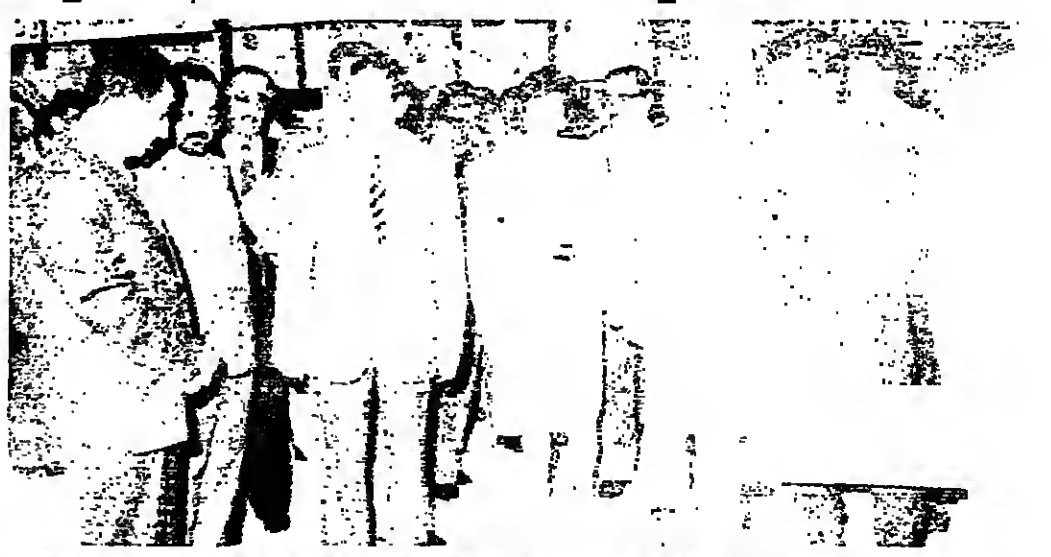
In a brief address at the inauguration ceremony, Mr. Subeimat voiced the government's keenness on helping the industrial sector to solve its problems and forge ahead with production plans.

Most of the products displayed at the fair this year came from businesses which employ large numbers of Jordanian workers, which falls in line with the government's policies encouraging local industries, especially those that can employ housewives, to produce industrial items at home, Mr. Subeimat said.

It is hoped that the industrial sector will expand not only to cover the Jordanian people's needs but also to supply foreign markets, the minister said.

By boosting the national industry, the government hopes to find work for more Jordanian citizens to reduce unemployment at a time when foreign labour markets are not open for Jordanian job seekers, the minister added.

The fair was organised by the



Transport Minister Ali Subeimat Saturday opens an industrial fair (Petra photo)

Jordanian Commercial Centres Corporation (JCCC), whose director, Dr. Rima Khalaf Huneidi, was present at the inauguration session.

In a statement at the ceremony, Dr. Huneidi said that the JCCC was grateful to all public and private organisation which have been cooperating with the corporation in organising the Jordanian fairs in the Kingdom and abroad.

This year's fair is displaying a number of industrial products for the first time and heads of Arab chambers of industry and commerce have been invited to examine the various types of products, Dr. Huneidi said.

Ali Dajani, an advisor at the

Amman Chamber of Industry, said that the chamber is exerting efforts towards exploring new markets for Jordan's industrial products.

One of the industrialists displaying items in the fair called on the government to re-examine the customs duty on imported protection to local industries. He said that his firm produces auto spare parts, especially those used by trucks, and demanded that government provide protection to this type of industry.

Several ministers were present at the opening ceremony along with heads of diplomatic missions and the delegations representing the chambers of industry and trade in Oman and Syria.

Concerning the concentration of industries in the Amman area, Dr. Badran said that through new regulations related to a law on encouraging investments attention will be directed towards

creating new industrial projects in the rural regions outside the capital. He said that exemptions from customs duty extending for 12 years would be offered to investors to encourage them to establish industries outside Amman and in other areas of the country.

WHAT'S GOING ON

The following listings are compiled from monthly bulletins and the daily Arabic press. Readers are advised to verify the listed time and place with the concerned institutions.

EXHIBITIONS

- ★ Exhibition of traditional embroideries and hand-made items at the Jordan Intercontinental Hotel.
- ★ Exhibition of paintings by Rihab Al Nammury at the Royal Cultural Centre.

AL FUHEIS CULTURAL FESTIVAL

- ★ Concert by Al Fuheis folkloric troupe at the Latin Church in Al Fuheis City — 9:00 p.m.
- ★ Lecture, in Arabic, on "Immigration from Fuheis" by Khalid Mansour at the festival's site in Al Fuheis City — 5:30 p.m.
- ★ Poetry recital by Jordanian poets Abdullah Badran, Yusef Abdul Aziz and Ali Al Fatah at the festival's site — 7:15 p.m.
- ★ Concert by Jordanian singer Bahara Al Rahedi at the Latin Church in Al Fuheis — 9:30 p.m.

Crops sprayed with insecticides

AMMAN (Petra) — The Ministry of Agriculture is now preparing special nurseries to produce seedlings of various vegetables, especially tomatoes to be grown in the Jordan Valley region, according to Agriculture Minister Subhi Al Qasem.

He said in a statement to the Jordan News Agency, Petra, that the ministry is keen on producing healthy tomato seedlings which are free of any type of disease for the valley. Last season's tomato crops in the valley suffered heavy losses largely due to diseases.

The ministry is making available the amount of seedlings needed for all the farmers in the valley region, the minister said.

Dr. Qasem said his ministry was taking all measures to combat the so called white fly, a pest thought to be responsible for much of the damage to the tomato crops.

He said that ministry teams will be spraying pesticides to all regions through a national campaign designed to provide protection to the crops.

Jordanian exports reach new markets but still fall short of expectations

AMMAN (Petra) — Jordan's exports have been diversified and are now reaching new markets in Africa, Europe and America, according to Ministry of Industry and Trade Secretary General Ibrahim Badran.

But efforts to promote exports have not been strong enough to help the Kingdom and are far from fulfilling Jordan's aspirations, he said.

Jordanian pharmaceutical products, clothes, phosphate and potash have reached Europe, Africa, the Far East and South

East Asia thanks to intensified efforts on the part of the ministry coupled with endeavours on the part of the private sector, Dr. Badran said. But more efforts are needed to export Jordan's national products to countries, he added.

To reach new markets, Jordan's products should be of high quality, capable of competing with similar products from other countries and the cost of production should not be high, Dr. Badran said.

High quality clothes are

reaching Europe, Canada and the United States while metal and engineering industrial products are being exported to other far away countries, Dr. Badran said.

The Gulf crisis severely hindered the Jordanian industrial sector because many of the local markets were located in Arab states, particularly Iraq and the Gulf countries, Dr. Badran said.

Jordan is in need of new markets in distant countries as well as the Arab states and Europe and the more investments in production projects are made, the more

the country's bargaining position will be enhanced in finding new markets, he added.

Dr. Badran said that the Ministry of Industry and Trade has initiated a three-year plan to upgrade the efficiency of personnel employed by the ministry's standards and specifications department in cooperation with the German government. The German side will provide the essential equipment for upgrading the work of the department, which is expected to become an independent department charged with

quality control matters and helping to boost the quality of Jordanian exports, Dr. Badran said.

Referring to the ministry's role in promoting exports, Dr. Badran said that it is offering industrialists and investors advice and creating for them an opportune climate for investments. In addition, the ministry has started reducing to a minimum the formalities and routine work involved in the registration and initiation of industrial businesses, Dr. Badran added.

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Sunday's Economic Pulse

Beyond the removal of boycott on Israel

By Dr. Fahd Al Fanek

AS things stand now, the Arab side, including Jordan, is ready and willing to abolish the economic boycott against Israel if and when the Jewish state complies with one of two important conditions: First, Israel would suspend its settlement policy in the occupied West Bank and Gaza; second, Israel would accept a comprehensive peaceful settlement to the Arab-Israeli conflict in the forthcoming negotiations as envisaged by Security Council resolutions 242 and 338.

The realisation of any of these two conditions is not likely to take place, but it is not impossible to happen. Therefore, economists are expected to evaluate thoroughly the possible impact of removing boycott on Jordan's national economy in general, and its industrial and agricultural sectors in particular.

For some reason or another, the Jordanian minister of industry and trade vehemently dismissed this sensitive subject as premature, and should not be raised until such eventuality becomes imminent. However, looking ahead this is not a bad idea. Getting ready for a possible outcome may be useful but it definitely is not harmful.

At the outset, it may be appropriate to put forward some relevant facts which may not be too much controversial. The

Israeli industry is not known to be terribly efficient by international standards. It is not qualified to compete with Japanese and European products on equal footing. Had it not been for the heavy external financial support, the Israeli industrial sector would have gone broke and out of business long time ago.

On contrast, the Israeli agriculture is advanced. It employs extremely modern techniques, some of which were developed in Israel itself. But the cost of agricultural production is too high that Israel was obliged to protect its farmers from the competition of the Palestinian agriculture. It is well known that some Israeli housewives buy their fruits and vegetables from the West Bank because of lower prices and similar quality.

On the other hand, the lifting of legal restrictions against Israeli products does not necessarily mean that Jordan will rush to import from Israel. There is no reason to believe that Jordanian businessmen have reasons to promote Israeli commodities even if such an activity become legal. The evidence is that, the lifting of Egyptian boycott against Israel 13 years ago did not change much in reality. The Egyptian people candidly refrained from dealing with Israel as long as it continued to deny the rights of any Arab

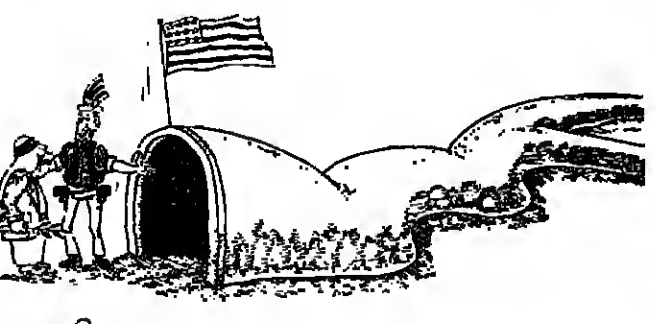
people, be it in Palestine, Jordan, Syria, or Lebanon.

Nor does the removal of economic boycott mean that Jordan or, for that matter, any Arab country will enter into an economic unity or common market with Israel. It merely means that Israeli commodity will be treated just like any other foreign commodity. It will of course continue to be subjected to the usual customs duty which will maintain the current protection of domestic industry. The Israeli products will try, and most likely fail, to replace Japanese and German products in Arab markets. They will not replace the protected Jordanian produce in the Jordanian domestic market.

Finally it may be useful to acknowledge that the Arab economic boycott was never completely and effectively at any time during the past 43 years, but it was causing a lot of harm to the Israeli economy and, more important, to the American and other multinational corporations which would like to deal freely with Israel without risking their lucrative Arab markets. Therefore, Israel should not be given up except against a substantive political price such as the suspension of settlements in the occupied territories or concluding a land for peace agreement.

'Victories' lie with people

REMARKS MADE by the Iraqi Kurdish leader, Jalal Talabani, that he hoped that Jordan's process of democratisation would serve as an example for Iraq are a source of pride for us Jordanians. His Majesty King Hussein, who genuinely leads and directs the process of democratisation in Jordan, has said in many occasions that he wanted our experiment be promoted so that it could show others in the region that democracy is nothing to be afraid of. The Iraqi leadership has promised the Iraqi people a multi-party system and political pluralism. The talks between the central government in Baghdad and the Kurdish leaders have gone a long way in the direction of securing autonomy for the Kurds. And the Kurds, like all ethnic minorities in the Arab World, have insisted that they were not seeking full independence. Iraq could, through democracy, pluralism and autonomy, avoid a civil war and ensure a stable country and regime. The Arab World has been for decades — and in many parts is still — living under oppressive and backward regimes that always resorted to force to quell their peoples' cries for political reforms. Many army officers are still in power in many Arab countries and they rule with military mentality. And where officers could not seize power, absolute rulers continue to deny their subjects their basic rights. Even the leaders of "liberated" Kuwait, who when in exile promised their people democracy and freedom, are back to their old practices. The Arab World and Arab leaders can continue to blame their ills on foreign powers and enemies. Whether that might be true, it is obvious that most of the Arab weakness is the result of oppression at home and the denial of people their basic rights. As King Hussein said in a speech immediately after the Gulf war, democracy is a guarantee that leaders, under the watchful eyes of their subjects, won't blunder. We are heartened to see the Iraqi leaders heeding the King's advice and insight. Unless people assume their full responsibility and acquire their full rights, the nation will suffer and "victories" will elude it.



ARAB PRESS COMMENTARIES

THE strike staged in the occupied West Bank and the Gaza Strip by the oppressed Palestinians marked the beginning of the 45th month of the intifada. It comes at a time when the Israelis are pursuing their settlement programmes and the world community is doing nothing to end the occupation, said Al Ra'i daily Saturday. The paper noted that the Israeli government was strongly adhering to its rejection of all peace bids and was denying the Palestinians their rights and their homeland at a time when the so-called peace initiative is being hampered by Israel's intransigence. It said that the continuation of the intifada was a manifestation of the Palestinian people's determination to pursue the struggle for freedom regardless of Israel's negative attitude towards peace. Indeed, the intifada is one important element which has been behind the intensification of recent efforts towards stimulating the peace process; but this only came about after numerous sacrifices and a lot of pain, the paper noted. The daily said that the continuation of the uprising in the occupied Arab territories was an expression of the Palestinian people's desire to achieve peace based on justice and international legitimacy which require support from all nations. There is no doubt, said the paper, that the Palestinian intifada will have its influence on any peace negotiations to end the Arab-Israeli conflict because the Palestinian issue is the core of that conflict.

A columnist of Al Ra'i Arabic daily Saturday commented on a decision by the education minister to open an investigation into the causes of failure of the majority of students in the tawjihi examinations this year. Tareq Masarweh said the investigation on the part of an educational body was not enough to give the country genuine indications about the causes of the students' failure or poor performance. The columnist said that the investigating team should include specialists from the ministries of education, health, housing and social development as most of the students who failed live in the south. The region, he says, is shunned by new school teachers who prefer to remain in the main cities where they enjoy better services. Mr. Masarweh said that students in the south suffered of malnutrition and that adversely affects their performance at school. A student living in a 10-member family, in one room and in very poor surroundings, cannot perform at school as a student enjoying a better environment in other areas of Jordan, the writer noted. The villages and towns in the south are in dire need of due social and economic improvement and the whole Jordanian society represented in the government and parliament, he said, should turn attention to the south and improve its socio-economic life so that it can produce students with better performance and creative people for the future.

At the mercy of the military

By J.K. Galbraith

WE LIVE in a time when matters of great political and social consequence have intruded themselves on the economic world. They affect the lives of millions of people; they could affect human life itself. Yet at best they lie on the margins of economic concern. They are present only slightly, if at all, in our scholarly instruction; they are not central to formal economic discussion. It is a hard fact of modern life: the economist encounters the urgent reality only as he or she leaves the classroom, the textbooks and the professional economic journals.

The greatest economic failure of our time, needless perhaps to say, was in not foreseeing the recent revolutionary changes in central Europe and the Soviet Union. I do not assert any great personal foresight here. But I had indeed felt and urged that the rigid ideologies of comprehensive socialism had replaced the harder processes of thought.

It has also been my strongly expressed view that economic development, even the somewhat lagged development of the erstwhile communist countries, brings into being a far greater diversity of talent and occupation than can be kept silent and excluded from power. Journalists, scientists, en-

sional financial assistance, especially in the field of consumer goods, so that the visible effect of economic liberalisation and of political liberty is not grave economic privation. There is in this revolution no substitute for monetary support. The guidance of the great and difficult transition from ideologically rigorous socialism to the pragmatic market economy will not stand as one of the acceptable achievements of contemporary economics.

There are two further and perhaps less evident failures of economics to accommodate the great and pressing problems of the time. The first concerns the impairment of consumer and popular sovereignty in the Western economic world and notably in the United States.

Nothing is more central in the broad current of mainstream economics than the sovereignty of the consumer. It is to this that, through the market, the economic system responds. Allied therewith is the political power of the individual — the ultimate sovereignty of the citizen.

Some rather comprehensive, if relatively benign, impairment of consumer sovereignty has long existed, although it is only reluctantly admitted by economists. Specifically, it is known that the business enterprise reaches forward to shape the wants and market demand of the consumer. Large sums of money and a vast advertising industry are devoted thereto. There is no more intense (or better financed) study than that of consumer psychology and the associated techniques of persuasion. Only in the textbooks and classrooms does this effort at modifying and shaping consumer behaviour diminish or even, on occasion, disappear.

Since much of this effort is socially benign, we should perhaps regard the economists' neglect with more detachment than concern. However, we cannot show similar indifference where one aspect of this shift from consumer to producer sovereignty is involved. That is when it is to the sovereignty of the modern military establishment — the self-sustaining military power and its associated claim on economic resources.

In the U.S., which enjoys the questionable distinction of being the most evident and the most important example, the military power has reached out to embrace and in no slight measure to control the political authority to which, in the approved theory, it is presumed to be subject.

Thus it controls the flow of aggregate demand for its operations, including for weapons that, by its own determination, it chooses to procure. It defines also the enemy threat that justifies the weaponry and the military force. Even with the end of the cold war, a sufficiency of diverse threats is presumed to remain; Saddam Hussein and the Gulf war served to sustain this presumption.

The self-sustaining power of the military establishment is not absolute; nothing is gained by exaggeration. Nonetheless, it commands a very large area of economic activity; in particular in the U.S. it draws into its service a large share of the available engineering and scientific talent, by some calculations a third of this resource. One reacts with discontent, even dismay, that economists have given this independent power of the military establishment and the resources it commands such slight formal attention.

But the emergence of an independent military power to the advanced capitalist countries is, in many ways, a small

thing in relative terms compared with the military power in the poorer countries of the planet, those graced by common reference as the Third World.

In the poor lands the military power and its claim on resources is the greatest economic scandal and the greatest political tragedy of our age. Some countries — Singapore, Hong Kong, Costa Rica, now Korea and Taiwan — show by their escape from military bondage the opportunity this gives, not surprisingly, for political tranquility and economic development. Elsewhere in Asia, Africa and Latin America, however, the military power has a commanding influence in government, where it is not the government itself. This, in turn, allows it to lay claim on resources for military use and consumption which are greatly at cost to social needs and resources for development.

"In this world there are no literate peoples who are poor, no illiterate who are otherwise than poor."

In the 27 years beginning in 1960 for which calculations have been made, military expenditures in constant dollars in the developing countries have increased more than fivefold. Per capita gross national product has less than doubled. In many cases, it has declined. Military aid from developed countries has massively exceeded aid for civilian purposes. Military spending in the world as a whole has substantially exceeded that for health care and education; and in the least fortunate of the poor countries it has done so by a wide margin. The aggregate of the specific transactions is truly impressive. In the eight years from 1981 to 1989, the less developed countries acquired from various sources 37,000 surface-to-air missiles, 20,000 artillery pieces, 11,000 tanks and self-propelled howitzers, 3,200 supersonic planes and 540 warships and submarines at a total cost of \$345.6 billion.

Beyond this diversion of domestic resources and external assistance to military use are the further consequences. The rich countries of the world, as we have seen in the last half century, resort cautiously to military conflict. In the great confrontation of the cold war between capitalism and communism no one got killed, a few accidents, executions and interdictions of would-be defectors apart. In indirect confrontation and by proxy in Vietnam and Afghanistan — both countries of basic impoverishment — tens of thousands were killed. And with weapons from the affluent lands millions in the poor countries of Asia, Africa and Latin America were either forthrightly slaughtered or they died from the economic devastation that is the terrible counterpart of civil contention and conflict.

Again one comes to economics. In the commendable concern for the economics of development in the last half century, our discipline has rarely addressed itself to the military power; frequently this has been accepted as inevitable, a given factor. Yet even on the most casual examination it is evident that nothing has been so universally damaging as the military power to a valid use of

scarce resources and effective and compassionate government. Or to economic development itself. There have been other factors inhibiting basic well-being in the poor lands. Agricultural development has been subordinated by price restraints to short-run urban well-being at heavy cost to all. The vital role of education — human investment — has been insufficiently stressed.

In the last century, and rightly, nothing was thought so important as universal free education. That has been partly forgotten; too many gleaming industrial plants have been sited amidst ignorant people. I stress a point I've made often before: in this world there are no literate peoples who are poor, no illiterate who are otherwise than poor.

Nonetheless, one returns to the basic fact: nothing so contributes to deprivation and hardship as the military power and the associated internal and external conflict. The weapons of destruction flow visibly from the affluent countries to the poor. Yet this commerce, far from being central to economic thought, analysis and instruction, has been largely ignored. For a decade we watched the unspeakable urban artillery fire in Beirut; there was little if any economic attention to the industry and commerce that supplied the weapons being used. Similarly in Ethiopia, Mozambique, Liberia and other strife-torn lands.

Economics, unhappily, has an instinct for the benign. It studies and seeks to improve the microeconomic performance of national economies that are already replete with civilian goods and services. It is this civilian production that is of principal importance. And the macroeconomic performance and its improvement, similarly under circumstances of high well-being. The intrusion of the military power and its demands is ignored. Our subject is little concerned with the way this military power both controls and devastates the poor countries of the planet or the grim commerce in the instruments of death that supports that devastation.

The ultimate justification for economics as a subject matter and a science is that it adds to social understanding and that it thus serves human welfare. On its failures in this regard we must now reflect. It did not, much seemingly attentive study notwithstanding, foresee the great economic developments in central Europe and the USSR in these last years and the accompanying demand for voice and participation.

We cannot be happy as to the economic guidance and support we have given to this change. And economics egregiously and unforgivably has ignored the modern intrusion of the self-sustaining military power on economic life — its independent role in the rich countries, notably the U.S., and its devastating political power, claims on grievously scarce resources, and support of war and civil devastation in the Third World. As diligent scholars, we are rightly proud of our subject and our social contribution. Our pride would be greater, more deeply justified, were we now to embrace these large issues that press so urgently in the former communist world and that sustain the modern intrusion of the military power on economic life in the rich countries and so tragically on the lives of the poor.

Professor John Kenneth Galbraith is Paul M. Warburg Professor of Economics Emeritus, Harvard University. The article is reprinted from *The Guardian*.



Palestinians weigh pros and cons of peace talks

By Robert Mahoney
Renter

OCCUPIED JERUSALEM — "What can we do?" the question has been part of the Palestinian liturgy of suffering under Israeli occupation for the past 24 years. It punctuates almost every conversation with foreigners.

But since U.S. Secretary of State James Baker pressed from Israel a heavily qualified "yes" to Middle East peace talks last week, the question is no longer rhetorical.

"What should we do?" the nearly two million Palestinians of the West Bank, Gaza Strip and East Jerusalem are asking. "There is a hot debate over whether to go to the talks," said nationalist Radwan Abu Ayyash. The beat is strongest on those Palestinian leaders who have met Mr. Baker and appear to favour a "yes" to the peace conference he is proposing for October.

All are close to the Palestine Liberation Organisation (PLO) and are taking seriously threats from extremists. The Islamic Jihad (holy war) movement in Gaza has threatened to kill them if they take a delegation to the conference.

Some factions of the PLO are also vehemently opposed to the conference, which Mr. Baker has trumpeted as a golden opportunity to end the 43-year-old Arab-Israeli conflict. Mr. Baker has won support for the conference from all Israel's Arab neighbours. "I am afraid Mr. Baker has fallen into Mr. Shamir's trap," said Saed Erakat, a Palestinian political scientist.

"He has forgotten the Shamir conditions and seen only the Shamir 'yes'." (He thinks) he can pressure the weakened Palestinians more easily than the Israelis.

Prime Minister Yitzhak Shamir agreed to talks provided the Palestinian delegates were not PLO members or residents of Arab East Jerusalem, which his government considers part of Israel — conditions virtually impossible for any Palestinian to swallow.

Palestinians, like Washington, regard East Jerusalem as part of the West Bank. That makes it subject to United Nations resolutions 242 and 338, which call on Israel to withdraw from these and other occupied Arab lands in return for recognised and secure borders.

Mr. Baker has denied Israel a veto over the Palestinian delegation but he has also urged Palestinians to be realistic by naming a team the Jewish state could accept. One compromise is that the

east Jerusalem representative should be a Palestinian born in the city but living in Jordan.

Palestinians are in a bad position to bargain. Their three-year-old uprising against Israel is flagging and PLO Chairman Yasser Arafat squandered much of their international political capital by backing Iraq in the Gulf war.

"We are weak enough that we cannot get all our national rights but we are strong enough to destabilise the whole peace process... There is no process without us," said Mr. Abu Ayyash.

"(But) the Palestinians do not want to be blamed by the international community (for blocking Baker)," he said.

That is why Palestinians like Faisal Al Hussein, widely believed to be the PLO's main voice in the occupied territories, have agreed to see Mr. Baker on his six visits since the Gulf war.

He wants written U.S. assurances that any Baker formula to skirt the obstacle of east Jerusalem does not undermine the Palestinian right to the city.

"To agree, we need guarantees that we are heading for (U.N. Resolution) 242. We have to know what the Americans mean by autonomy because for us sovereignty is an essential dimension for autonomy," Mr. Abu Ayyash said.

Palestinians would also insist on Arab guarantees that no Arab state would conclude a separate peace with Israel as Egypt did with the 1979 Camp David treaty, he said.

Palestinians, who have seen Arab support evaporate since the Gulf crisis, fear that Israel, by returning part of the Golan Heights to Syria, could hold out to the West Bank and Gaza. The Tunis-based PLO, to which Palestinians look for guidance, has given mixed signals on Mr. Baker's proposals.

Ms. Arafat aide Bassam Abu Sharif said last Sunday no obstacle was insuperable but the PLO shot down his remarks the next day.

The uncertainty is reflected in the occupied territories, where many Palestinians are still in a daze from the Gulf war. "People are angry... but they know we now have few friends," said one nationalist who asked not to be identified. "The rejectionists offer no alternative... they can no longer point to Arab power or the Soviet Union."

One east Jerusalem merchant asked if Palestinians should say "yes". Said, "I don't know. I think a lot of Palestinians are like me... We are not sure we are going to get anything except what the Israelis want."

He added the inevitable kicker — "but what can we do?"

Arafat says 'yes' to peace conference

(Continued from page 1)

The team — Faisal Al Hussein, Hassan Ashraf and Zakaria Al Agla — had accomplished their task with "composure and determination," Mr. Arafat said.

The guarantees Mr. Arafat mentioned were almost identical to those he listed in a letter to British Prime Minister John Major.

"I urge you to use your good offices and influence with all the parties concerned, especially the United States, to put an end to the Israeli occupation, which is the root cause of the conflict," the PLO chairman said in the letter.

The letter, released on Friday by the PLO office in London, was sent last weekend.

Britain has replied through a letter handed over by Junior Foreign Office Minister Lynne Chesser to a PLO delegation at a Foreign Office lunch.

The contents of Mr. Chesser's letter were not disclosed.

The head of the Arab League was quoted Saturday as saying Mr. Arafat is showing some flexibility regarding Palestinian demands for peace in the

Middle East.

Mr. Ezzat Abdel Meguid met the PLO leader Friday in efforts to find a common Arab position on the proposed Middle East peace conference.

In their talks, Mr. Arafat showed a certain "flexibility" and "complete availability" to advance a Middle East settlement, Wafa quoted Mr. Abdel Meguid as saying later.

Mr. Abdel Meguid did not say on what issues he detected flexibility. But Wafa said that Mr. Arafat remained firm that he will not bargain over the future of East Jerusalem.

Mr. Abdel Meguid said Mr. Arafat's goal is a "just and honourable peace that puts an end to Israeli occupation" of the West Bank and Gaza Strip, Wafa said.

Mr. Arafat, who was accompanied by four members of the PLO's Executive Committee in the talks, expressed concern over "the Judaization of the Holy City by Israel," Wafa reported.

"Jerusalem is at the centre of our preoccupations," Wafa quoted Mr. Arafat as saying. "On this question, there must not be any surrender."

Mr. Abdel Meguid said the 22-

member Arab League should come to a common position on the peace talks. He is to visit Morocco, Algeria and Mauritania to sound out the views of their leaders.

The Palestine National Council is to weigh taking a stance of its own in a meeting scheduled to start Sept. 15 in Algiers.

In an interview appearing in the Aug. 12 edition of the Paris-based Arab-language weekly Al Foursane, Mr. Arafat characterised the peace conference as "an Israeli plot."

"It is regrettable that the American administration totally knuckled under to the Israeli conditions, and that the refusal of Israel became that of the Americans," Mr. Arafat was quoted as saying.

In other developments: — A senior aide to Israeli Prime Minister Yitzhak Shamir predicted Friday that elections scheduled for November 1992 will probably be brought forward to this winter.

Yossi Abimeir, Mr. Shamir's chief of staff, said disputes over Middle East peace moves could cause a crisis in the Likud-led governing coalition, leading to early polls.

What an hour's work can buy

WHAT do a Sudanese weaver, a Sri Lankan waiter, a Yugoslav spinner, a Bangladeshi bus conductor, a baker in the Central African Republic and a grocery salesperson in Lesotho have in common? They all had to work for more than three hours in 1989 so as to earn enough to be able to buy a kilo of rice. On the other hand, one hour's labour purchased at least nine kilos of rice for a journalist in Bahrain, a bricklayer in Hong Kong, a carpenter in Sweden, a grocery salesperson in Uruguay and a postman in French Polynesia.

These wide disparities in the purchasing power of wages can be computed from the information for 1989 provided by governments in reply to the ILO October Inquiry on occupational wages and hours of work and on retail food prices, published recently. This annual survey collects data on wage rates, earnings and hours of work for 139 occupations in 49 industry groups and on average retail prices for 93 items of food from over 100 countries throughout the world.

Staple diet

Rice, potatoes and bread are traditionally the staple diet for the majority of workers throughout the world, but many had to work long hours to satisfy their family's needs. To buy a kilo of potatoes, many employees in Bangladesh, Bolivia, Myanmar, Sri Lanka and Sudan had to work for more than an hour.

ff bakers in Burundi, Colombia, India, Myanmar and Sri Lanka wanted to buy a loaf of bread (500 g), they also had to sweat beside their ovens for over an hour to earn enough. At the other end of the scale, hotel receptionists in the Netherlands could take home more than ten loaves after an hour, as could Cuban machine compositors, building electricians in Hong Kong, plumbers in Italy and bus drivers in French Guiana.

Meat a luxury

Meat, fish and poultry were rare luxury items for many families. In very few countries were hourly earnings equivalent to the price of a kilo. Butchers in Yugoslavia had to put in over five hours' work if they wanted to buy a kilo of beef, lamb, chicken or fish, and in Sudan over three hours. However, an hour's work for their counterparts bought over two kilos of beef in Denmark, of chicken in Austria, Cyprus and Sweden, and of fish in the Nordic countries as well as Cuba.

Sweet tooth

Workers with a sweet tooth could easily satisfy their craving in Austria, Gibraltar, Iceland, the Netherlands and Sweden, where for many an hour's work could purchase well over five bars of milk chocolate. The record goes to Austrian computer programmers in insurance companies, who could buy over 27 bars every hour.

Sugar was an extravagance for many workers in construction, and clothing and textiles. A kilo would cost over two hours' work for the majority in Bangladesh, Burundi, Mali, Myanmar and Yugoslavia, and over seven hours for some of them. Those who like sugar in their tea were best off in Bahrain, where an hour's work was equivalent to over six kilos for many employees, including journalists, cash desk cashiers, hotel receptionists and bus conductors. This was also true for many workers in Sweden and the United States.

Beer

Bus and truck drivers in some countries could hardly afford to stop for a quick beer to quench their thirst. Apart from religious or road safety reasons, the price for a third of a litre was prohibitive. Bus drivers in India and Myanmar, and truck drivers in Myanmar had to put in about an



hour or more behind the wheel to pay for a small beer. Their more fortunate colleagues in Cyprus, Czechoslovakia and Uruguay earned enough in one hour to buy more than six beers.

Waiters in Bolivia, Sri Lanka and St. Lucia had to serve for over an hour to earn enough for their beer, while Dutch and Austrian could buy more than ten for the same time.

Relative prices

In considering the wide range of prices which prevailed during this period for basically the same products, demand and availability, production methods, transport costs, subsidies and consumer tastes and habits all come into play. For instance, one kilo of rice was roughly equivalent to one litre of milk in Austria, Burundi, Denmark and Mexico, only half a litre in Mali, two litres in Italy, Sweden and Yugoslavia, and three litres in Argentina. It was about the same price as a kilo of sugar in Bolivia, Cyprus, Central African Republic and French

Polynesia, as two kilos of sugar in Bahrain and Iceland, and nearly four kilos of sugar in Sudan. A bar of chocolate was as expensive as a kilo of rice in Czechoslovakia and Uruguay.

Rates of pay also varied

The levels of hourly earnings were as diversified as the prices in those countries for which data are available. Among the 40 occupations studied for this article, the highest earnings reported were often double, treble or even four or more times the lowest.

In Bolivia, for instance, a nurse earned nearly three times as much as a grain miller who worked half as long again. In Lesotho, a doctor earned eight times more than a postman, and in Bangladesh a hotel receptionist took home three times as much as a spinner.

However, in other countries such as Czechoslovakia, Denmark, Myanmar, Norway, Sweden and Tunisia these differences were less marked. International comparisons of

wages and prices are somewhat problematic. Occupations may differ between countries; methods of data collection and types of sources may vary; goods priced in different countries are not necessarily of the same quality. Furthermore, some food items may be widely consumed in some countries but not in others, perhaps because of varying habits, traditions, or religious or cultural restrictions. Nonetheless, the data collected through the ILO October Inquiry can give some idea of the purchasing power of work in various parts of the world.

Another aspect to bear in mind when making comparisons between countries and occupations is that the figures correspond to gross wages, that is, before any deductions are made for such items as workers' income taxes, contributions to social security and insurance. Evidently the level of deductions would have an impact on the amount of disposable money available to employees — ILO Information.

Promises and threats cloud hostage hopes

(Continued from page 1)

Islamic phrases, the first sign of a split, and rejected the deal of exchanging Westerners when "our brethren remain in prisons in Israel and the West."

Despite the new threat, both Mr. Perez de Cuellar and a spokesman for U.S. President George Bush expressed optimism that a hostage would be released. "We continue to receive reports from diplomatic sources that a captive release will occur," said White House spokesman Martin Fitzwater.

Speaking before Saturday's threat to Mr. Leyraad, Western diplomats were optimistic Mr. Cioppo or Mr. Tracy would be freed as announced and also expected the Frenchman soon to be released.

The sources said Mr. Picco had recently been in Damascus and

had then gone to Beirut.

They said Iran was playing the key role in the releases but did not expect any other hostages to go free immediately after the RJO captive despite the trend towards resolving the problem.

The ODPHR threat was renewed amid a search for Mr. Leyraad by hundreds of Syrian and Lebanese troops and police ringing Beirut with roadblocks and storming houses in Shi'ite Muslim districts.

The man hunt was larger and more extensive than any mounted after previous kidnappings of Westerners by Shiite extremists.

In a sign of how seriously authorities took the Leyraad kidnapping, Syrian soldiers stopped Western expatriates and told them to take care and their drivers to take them straight home.

Mr. Cioppo was kidnapped on Sept. 12, 1986, at the American

University of Beirut where he was deputy controller. Mr. Tracy's abduction was announced by the RJO on Oct. 21, 1986.

"Finally, we remind that the issue of Sheikh Abdul Karim Obeid has the priority and the positive results hoped for will be achieved through the release of our brothers," the RJO said.

Sheikh Obeid, a cleric of Hizbollah which dominates the Shi'ite underground in Lebanon, is one of hundreds of Lebanese and Palestinian prisoners held by Israel. Their release is demanded by Hizbollah and the hostage-takers.

"We have never thought for one day that we want the hostages just for holding them since everything has an end. They have release or death," said the RJO, threatening to "unleash the unknown" if it came under pressure or was ignored.

No cabinet reshuffle imminent

(Continued from page 1)

at least one minister publicly said he would resign his post if Jordan joined a peace process that did not result in the full implementation of U.N. resolutions and won for the Palestinians their right to self-determination.

Another minister is understood to have tendered his resignation for the same reason but later froze it.

However, informed sources now maintain that the initial rift in the positions of the cabinet ministers towards the Middle East peace process "has decreased and become more realistic."

Several new ministers in Mr. Masri's government were political activists who fought for the liberation of Palestine in many forms during their poli-

tical life. These ministers include Arab nationalists and ministers affiliated with the Jordan Arab National Democratic Alliance (JANDA).

"The decision to enter peace talks for many of these ministers is not easy especially when one looks at their political past," an informed observer said.

Observers believe that ministers in Mr. Masri's cabinet "would be hard put to reject peace talks if the PLO, which is the sole legitimate representative of the Palestinian people, decides to go to the peace conference."

Jordanian officials have said that the PLO is expected to provide Jordan with a positive response to the joint Palestinian-Jordanian delegation idea and that it would not be "burden to peace."

Alattas

(Continued from page 1)

Ali Abul Ragheh outlined Jordanian-Indonesian economic and trade cooperation.

Mr. Abul Ragheh voiced Jordan's desire to bolster Jordan's relations with Indonesia and increase trade with that country.

He said Jordan hopes to sell Indonesia more phosphates, potash and industrial products. Indonesia buys three quarters of its phosphate needs from Jordan and seeks to offer more facilities for Jordanian industrial products to be marketed in Indonesia.

A team from the Jordan Phosphate Mines Company will go to Jakarta in the second half of this month for talks on promoting trade ties.

The directors of the phosphate and potash companies as well as heads of chambers of commerce and industry attended Saturday's meeting at the ministry.

Jordan has assurances of aid

(Continued from page 1)

productive investment," economist Jawad Anani explained.

"But the IMF also understands that these adjustments will take years to produce results and in the meantime people will suffer so it offers foreign funds to encourage private investment," he told the Jordan Times.

Egypt's fishermen risk penury at home, piracy on high seas

By John West
Reuter

AZBAT AL BURG — When Mohammad Hassan Abdullah left home to fish the rich waters of the Red Sea, he told his family he would be away about 25 days as normal. He did not reckon on being kidnapped on the high seas.

Instead, his boat — along with five others — was overtaken and surrounded by Eritreans with machine-guns in high-powered fibreglass boats.

They took the 89 Egyptians to the Eritrean port of Massawa and then to detention in a camp in the barren mountains of the rebel Ethiopian province.

Mohammad reached home in June after six months away, but about 200 others are still missing, captured in the past year on the Red Sea by armed men — sometimes claiming to be rebels, sometimes government officials — in one of the world's most lawless regions.

This calm Mediterranean port of about 70,000 people is shocked by the disappearances. Local member of parliament Kamal Khaleel has demanded military protection for fishing boats, and there is even talk of fishermen

carrying guns.

"They called us terrorists and said we were spying on them," said Mohammad, 56.

The Red Sea, with its sharks, storms and rugged mountain coasts, seemed far away as he sheltered from the afternoon sun in the shade of a cafe.

"As spokesman for the Egyptians, I said we were just fishermen but they didn't want to listen," he added. "We were in international waters," he insisted.

Mohammad said the group were held eight or nine to a room, given food haphazardly, and were sometimes beaten.

Other prisoners who did not want to be identified said they were daily threatened with death. Eventually, under diplomatic pressure from Egypt, the Eritreans handed them to the Sudanese authorities and they flew to Cairo from Khartoum. Their boats — worth up to a million Egyptian pounds (\$300,000) each — were confiscated.

Another group of 112, seized off Yemen, were also set free without their boats.

"It's piracy," said Mahmoud Al Badawi, master of a trawler

that plies the Red Sea.

He said Egyptians were victimised. They had fished in the same waters before without incident, and Saudi boats continued to trawl with impunity.

But he dismissed fellow fishermen's demands to carry guns: "We're not going to make war. We're fishermen — we don't

intricacies of international politics hold little interest. The fishermen talk instead of the future and most say they have to go back to the danger area.

"The waters here in the Mediterranean are being fished to extinction," said Mohammad. "What can we do? We don't go to college and get degrees here —

were only 15 years old.

But as the population of the town grows — like the rest of Egypt, which produces a million extra mouths to feed every eight months — the number of fishermen grows too and catches decline in their traditional Mediterranean grounds.

So in the past two to three years ships have started pushing down through the Suez Canal into the Red Sea.

The trip is longer, 25 days compared to 10 days in the Mediterranean, but the fishing there is still rich and the money good. Even a hired hand can earn up to 500 pounds (\$150) a trip, more than the monthly salary of a university professor.

Ramadan Ali Al Afifi, another shipowner, says that despite the risk of hijacking he will go straight back. "In July and August we stay here, repair our ships and have a bit of holiday... But we'll set off in September. We can't stay here."

Mohammad is not so sure. "Not without a licence... why can't we make an agreement among all the nations of the Red Sea? Otherwise, I'll stay in the Mediterranean however small the catch."

"Not without a licence... why can't we make an agreement among all the nations of the Red Sea? Otherwise, I'll stay in the Mediterranean however small the catch."

know how to use weapons." Cairo newspapers have protested that pirates were taking advantage of Egypt's poor relations with Sudan, Eritrea, and Yemen, and the government said it was taking up the matter through appropriate channels. But here in Azbat Al Burg, the

we go to sea." About 80 per cent of the town's workforce depends on fishing, a profession which breeds strong loyalties. The spread of the modern state and education have done little to alter the tradition of father handing trade down to son. Some of those held in Eritrea

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spectators about noisy Sabatini supporters. Tournament director John Beddington said the group

"The fans were asked not to blow horns, bang drums or wave flags during the Argentine's matches.

"We were approached today by someone in the Capriati camp" to do something about the noise, said Beddington. "They asked what the rules were about it, and the rules are that there aren't really any rules.

"The protocol is that, while the points are going on, they don't make noise.

"The fans were asked Wednesday night and again today, that they don't bang their drums or blow their horns during the match. As far as I know, they've been receptive to the request."

Gilbert's nightmare schedule at the Jack Nicklaus Sports Centre resulted from Thursday's thunderstorms, which forced the suspension of his match with Agassi

at 1-1 in the first set. Officials began play Friday afternoon with a scheduled quarterfinal match between Becker and 10th seed Andrei Cherkasov. But two hours after that match was halted by rain, Gilbert and Agassi were put on the stadium court ahead of Becker and Cherkasov to give the winner a little more rest before facing Courier, who will be 21 next week.

gesting that Senna should have received a warning for dangerous driving.

Steward John Corsmit met with the drivers for nearly two hours Friday. He said Prost will not be suspended unless there is a re-

Nearly two years ago, Senna was fined \$100,000 and given a six-month ban for reckless driving, according to FISA. But his sentence was suspended, similar to Prost's one-race ban.

Prost and Senna were teammates in 1988 and 1989, but both shunned teamwork and went all out for the championship.

They collided in the Japanese Grand Prix in 1989, putting Prost out of the race. Senna continued but was disqualified giving Prost the championship.

In 1990, they shook hands after September's Italian Grand Prix. But the feud was renewed in October, again in Japan, when they crashed at the first turn, ending Prost's chances of catching Senna for the title.

The rivals emerged Friday on a conciliatory note.

"It would have been ridiculous to continue like this," Prost said.

"We met for more than an hour and a half, and I think we fixed things," Senna agreed.

"For the benefit of both us and sports we agreed that we should try to find a better way to compete and work," he said.

As if to show that the vacation

France 6-3, 6-3 in a match that also was marred by several argued calls.

Top-seeded Julie Halard of France then got the advantage back and hit a passing shot to win the game.

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U.S. Dollar in International Markets

Currency	New York Close	Amman Close
Sterling Pound	1.7065	1.6925
Deutsche Mark	1.7156	1.7142
Swiss Franc	1.5225	1.5145
French Franc	6.8240	6.8139
Japanese Yen	156.13	156.57
European Currency Unit	1.2019	1.1885

U.S. Dollar in International Markets

Currency	1 MTR	3 MTHS	6 MTHS	12 MTHS
U.S. Dollar	5.26	5.21	5.15	5.11
Sterling Pound	10.81	10.81	10.72	10.68
Deutsche Mark	9.63	9.63	9.57	9.57
Swiss Franc	7.52	7.52	7.45	7.45
French Franc	4.37	4.36	4.31	4.31
Japanese Yen	7.54	7.54	7.43	7.43
European Currency Unit	4.56	4.51	4.47	4.47

Interbank bid rates for American currencies (U.S. Dollar) in Amman (approximate)

Metal	USD/Oz	JD/Gm	Metal	USD/Oz	JD/Gm
Gold	358.25	6.45	Silver	8.45	1.295

Central Bank of Jordan Exchange Rate Bulletin

Currency	Bid	Offer
U.S. Dollar	1.687	1.688
Sterling Pound	1.1827	1.183
Deutsche Mark	1.617	1.618
Swiss Franc	1.521	1.522
French Franc	1.182	1.183
Japanese Yen	1.513	1.514
Dutch Guilder	1.512	1.513
Swedish Krona	1.613	1.614
Italian Lira	1.552	1.553
Belgian Franc	1.512	1.513

For 100
Other Currencies

Currency	Bid	Offer
Bahraini Dinar	1.132	1.133
Lebanese Lira	1.075	1.076
Saudi Riyal	1.623	1.624
Kuwaiti Dinar	1.182	1.183
Qatari Riyal	1.623	1.624
Egyptian Pound	1.623	1.624
Omani Riyal	1.623	1.624
UAE Dirham	1.623	1.624
Greek Drachma	1.623	1.624
Cypriot Pound	1.623	1.624

For 100
Other Currencies

Index	31/7/1991 Close	7/8/1991 Close
All-Share	109.52	109.10
Banking Sector	104.41	102.52
Insurance Sector	119.10	119.66
Industry Sector	115.09	114.55
Services Sector	127.45	126.97

December 31, 1990 - 1991

Last blazing well at Al Ahmadi field put out

KUWAIT (R) — Firefighters in Kuwait achieved a symbolic victory in their battle against blazing oil wells by putting out the last fire at Al Ahmadi, the nerve centre of the emirate's oil industry, oil sources said Saturday.

The sources told Reuters the last blazing well at Al Ahmadi was capped Friday, bringing to 285 the number of well fires put out since Kuwait was liberated from Iraqi occupation.

Eleven well fires have been extinguished in the past four days. Retreating Iraqi soldiers set fire to 640 wells and damaged a further 92 as they fled advancing allied troops at the end of the Gulf war in February.

Kuwait will celebrate the taming of the last blaze at the Al Ahmadi field in the next two days.

The recapping of wells at Al Ahmadi, the hub of Kuwait's oil exports and refineries, signifies a landmark victory by U.S. and Canadian firefighters who have been battling the raging flames since March.

The emirate's first oil shipment was exported from the oil town of Al Ahmadi in June, 1946. Post-Gulf war crude exports also resumed from Al Ahmadi on July 28.

With the Al Ahmadi and Maqwa fields out of the way, firefighters are expected to focus their efforts on Burgan, one of the biggest oil fields in the world. The pace of putting out the

fires will pick up by the end of August with the arrival of 12 more teams to join the nine U.S. and Canadian teams.

Iranian and Chinese teams arrived in the past week to add their weight to fire-fighting efforts.

The U.S. army is also set to give a helping hand next week with a modified M-60 tank. Army engineers plan to use the tank gun to smash through rock-hard debris on top of the burning wells.

This will reduce the task of breaking up the debris from two days to 15 minutes, according to the army.

Scores of wells are still burning out of control, sending up thick columns of black smoke which shut out the sun over the oilfields.

Pollution from the wells is also posing a threat to the health and the environment of the Gulf region.

The damages to Kuwait's oil industry sharply reduced crude output, which peaked at about two million barrels before Iraq's invasion of Kuwait on Aug. 2, 1990.

Kuwait is currently producing about 115,000 barrels of oil a day, mainly from the Maqwa and Burgan fields. The figure does not include the emirate's share from the neutral zone with Saudi Arabia.

Kuwait is entitled to one third of the daily output of 200,000 barrels from the zone.

Unemployment rises sharply in black week for Polish economy

WARSAW (R) — Poland announced a sharp rise in unemployment Friday after a black week for the economy that started with the shutdown of a big state factory and ended with a series of arrests in a deepening banking scandal.

Official figures showed the number of people out of work rose to 1,749,900 or 9.4 per cent of the workforce in July after a monthly leap of 175,800, the biggest since December 1989.

Unemployment and a deep industrial recession are the price that Poles are paying for their all-out drive to the free market — the most radical attempt by any former communist country.

While inflation is virtually tamed and once-empty shops are bursting with goods, there is no end in sight to a harsh austerity programme that has driven real incomes down sharply and made it still harder for ordinary people to make ends meet.

More than four in every five Poles in an opinion poll published this week said their standard of living was bad, and three-quarters said the population was becoming poorer.

The same survey found that more than half of all Poles believe the policies of Prime Minister Jan Krzysztof Bielecki's solidarity government will do nothing to help the country solve its economic problems.

"I would say the moment is very difficult, even critical," Bielecki said in a newspaper interview this week.

He expressed particular concern over the budget deficit which, aggravated by falling payments to the treasury from struggling state sector companies, totalled \$1.15 billion in the first six months of the year.

The government is drafting a new budget to bridge the gap between revenue and expenditure.

Simultaneously it is seeking agreement from the International Monetary Fund (IMF) to show understanding of its economic crisis by relaxing stringent economic conditions attached to a \$2.5 billion credit package.

Reports that Finance Minister Leszek Balcerek would step down after October elections sent a tremor through the international financial community this week, sending the price of Polish debt sharply lower on the international debt market.

Balcerek, architect of the Polish reform programme, later denied the reports.

On Monday production lines at the giant Ursus tractor factory, Poland's 13th biggest company, were silent as 15,000 workers went on indefinite forced leave with experts seeking ways of rescuing the firm from near-bankruptcy.

Standard Chartered branches besieged by depositors China, British-controlled banks join to denounce H. Kong rumours

HONG KONG (Agencies) — Britain and China's banking establishment united Saturday to support the Hong Kong banking system after panicking depositors withdrew more than \$250 million from Standard Chartered bank in one day.

British-controlled Hongkong and Shanghai Banking Corp and Beijing's Bank of China issued a joint statement saying rumours which triggered runs on four banks were demonstrably unfounded.

Police said they would inquire with Hong Kong's anti-corruption agency who started the rumours which prompted thousands of depositors to besiege Standard Chartered just as a run on local branches of U.S. giant Citibank was subsiding.

"The underlying strength of Hong Kong's banking industry is beyond doubt," said the two banks, which together hold an estimated 60 per cent of all bank deposits in the colony.

"The current wave of rumours circulating about certain banks in Hong Kong is demonstrably without foundation."

The Hongkong and Shanghai Bank carries out many functions of a central bank in the colony,

while the Bank of China's influence is growing steadily in the run-up to 1997, when Britain hands Hong Kong back to China.

Hong Kong, always jittery, has been gripped by near hysteria since the government closed Bank of Credit and Commerce Hong Kong Ltd. (BCCCHK) last month after authorities worldwide shut its parent BCCI due to allegations of huge fraud.

Brief runs on two Arab-owned banks last month were followed by a three-day run on Citibank earlier this week.

The rumours that Standard Chartered had lost its banking licence and trading in its shares had been suspended on the London stock market provoked panic Friday despite vehement denials from the bank and the government.

On Saturday depositors, desperate to avoid the fate of BCCCHK savers who risk losing most of their money, queued up outside standard chartered branches well before opening time to reclaim their savings as the run went into its second day.

By the end of the half-day opening, crowds besieging branches of the British-controlled

bank had dwindled.

But Ian Wilson, Standard Chartered's Hong Kong chief executive, said withdrawals had been heavy.

Asked how much had been withdrawn from the bank Friday, he told Reuters: "It's somewhere in the ballpark of two billion (H.K.) dollars."

Two billion dollars (\$250 million) is a net figure. Total withdrawals were higher but partly offset by money paid into the bank. Mr Wilson had no data for gross withdrawals.

He declined to disclose what percentage of deposits had been withdrawn Friday, saying only: "It's a small proportion. We don't give out that figure."

Earlier, police commissioner Li Kwan-Ha announced a joint inquiry with the independent commission against corruption into who spread the rumours and why.

China's losses

On Friday, bankers in Beijing said Chinese banks lost several hundred million dollars in the collapsed BCCI.

One Western banker, who like others spoke on condition of anonymity, said that all Chinese

banks except for the People's Bank of China were involved with BCCI in some way or other and that all suffered losses.

The People's Bank of China, the central bank, stayed clear of BCCI not because of greater insight but because, unlike China's nine other banks, it does not deal in foreign exchange.

Foreign bankers estimated total Chinese losses were at least \$100 million and could top \$400 million.

The People's Bank of China, which oversees foreign banks, has refused to discuss China's losses.

"We have never encountered such a case before, so we don't know how to deal with certain aspects of it," a People's Bank official said in a telephone interview. He refused to give his name.

A former Bank of China employee said it lost \$20 million and that the Industrial and Commercial Bank of China lost \$70 million.

The People's Bank of China closed down BCCI's Chinese operations July 6. BCCI had a staff of 22 in Beijing, making it one of the largest representative offices of any foreign bank.

Egypt's oil revenues jump by 70 per cent

CAIRO (R) — Egypt's oil export earnings jumped by 70 per cent to \$2.54 billion in the year to June 30, Al Ahram newspaper reported Saturday.

Al Ahram said crude oil production rose by four per cent to 900,000 barrels per day, while gas output rose by nine per cent to 4.1 billion cubic metres.

Oil ministry officials were not available for comment.

A report sent by oil minister Hamdi Ali Al Banbi to parliament said the ministry set oil exploration targets of 1.5 billion barrels over the next three years — equal to 4.56 years' production at current levels.

Egypt, a member of the Organisation of Arab Petroleum Exporting Countries (OAPEC), has proven crude oil reserves oil reserves of 13.7 years' production at current levels.

Revenues were boosted by higher oil prices during the Gulf crisis and seven new oil fields in the Gulf of Suez and the western desert areas which came on stream during the period with a capacity of 75,000 barrels per day.

The national Middle East News Agency (MENA) quoted Mr. Banbi as saying in his report 10 agreements with oil companies would be modified at the companies' request to encourage exploration of natural gas at existing sites. It did not give details.

Economists say double dip recession in the U.S. unlikely

WASHINGTON (AP) — The U.S. economy will continue to improve gradually through next year, avoiding a double-dip recession in which it begins shrinking again after a period of growth, say a vast majority of economists in a new poll.

But the consensus forecast of the 51 economists surveyed by Blue Chip economic indicators projects a sluggish recovery growing just half as fast as the average revivals from other recessions following World War II.

While 91 per cent of the economists said the economy would dodge a double-dip recession this time, the consensus forecast has it growing at just a 2.7 per cent annual rate this quarter and 2.8 per cent in the fourth.

The consensus also projects the economy will expand by just 2.7 per cent in 1992.

The Bush administration expects the economy to grow at an annual rate of between 2.5 per cent and 3.0 per cent during the second half of 1991 and 3.1 per cent during 1992.

Robert J. Eggert, the editor of the Sedona, Ariz., newsletter, said the forecast might have been "a bit" more optimistic if the Blue Chip participants had

known the federal reserve had lowered short-term interest rates last Tuesday to stimulate economic growth.

But, he added, "news of the action came a day after we ended our survey."

The survey participants represented many of the nation's top banks, brokerage companies, corporations, economic forecasting firms and universities.

Mr. Eggert said he included the double-dip question in this month's survey because the possibility was being widely discussed.

Proponents, he said, "cite the fact that in four out of the last eight recessions, there was one or more quarters of positive real GNP growth followed by a continuation of the downturn."

"The continued sluggishness of money supply growth and the disappointing July employment data served to renew talk of such

a possibility," Mr. Eggert wrote. Still, when asked, "after a quarter or two of positive real GNP, will economic growth turn negative again," only 9 per cent of the Blue Chip participants responded affirmatively.

"Several panel members volunteered that there is always some chance of such an occurrence, particularly if the economy is subjected to an exogenous shock like last year's Arab Gulf crisis," Mr. Eggert wrote. "Barring a similar event, the odds of a renewed downturn were placed at one in eight or less."

The economy fell into recession in July 1990 but resumed growth at a 0.4 per cent annual rate during the second quarter. A federal reserve survey conducted in late July indicated the economy continued to grow as the third quarter began, "but at a slow, uneven pace."

Iran owed \$12b at end of Iran-Iraq war

TEHRAN (R) — President Akbar Hashemi Rafsanjani said a foreign debt of \$12 billion was among the factors that led Iran to halt its eight-year war with Iraq in 1988.

His remarks in a Friday prayer sermon were the first by an Iranian government leader linking Iran's collapsing economy with the decision to accept a ceasefire, linked by the late supreme leader Ayatollah Ruhollah Khomeini to drinking poison.

"The economy minister and other officials wrote a letter to the leadership saying the situation of the budget and expenditure had reached and somewhat passed the red-line and was no

longer tolerable," Mr. Rafsanjani said.

"In another letter the central bank governor said although (foreign countries) did not give us loans, we owed \$12 billion in commercial credits and other commitments."

Mr. Rafsanjani said Iran's policy of self-reliance had boosted spiritual aspects among Iranians during the war but multiplied material problems.

A U.N.-brokered ceasefire came into effect in August 1989 after a series of battlefield setbacks for Iran. A million people were killed or wounded on both sides, according to Western estimates.

Iran, with Mr. Khomeini's blessing, reversed its policy on foreign borrowing after the war. A five-year plan approved last year authorised the use of \$27.6 billion in credit.

Mr. Rafsanjani's sermon was devoted to defending his free-market reforms which have come under fire from hardliners.

They say the new policies, including cutting of subsidies and loosening of state controls, enrich private businessmen and hurt the poor.

Listing problems caused by the war, Mr. Rafsanjani said "the mother of all problems" was dwindling production, leading to a 50 per cent drop in per capita

gross national product.

"This is real impoverishment," he said. He noted the war had caused a total of \$1 trillion in direct damage and lost opportunities. Projects worth about five trillion rials (\$70 billion at the official exchange rate) were left unfinished due to lack of funds.

The president said production of many goods had increased in the past two years. But profiteering by some merchants might force the government to intervene in distribution.

"We are studying the matter and the government may take harsh action. This is an ultimatum I am delivering today," he said.

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ANNOUNCEMENT

The Al Azraq Cooperative Society announces that the last date for accepting offers for vacuum crystallisation salt refinery plant is Sunday the Sept. 15th, 1991. We will disregard any offer made after that date.

Once again, we'd like to stress on the following:

The offer should be to supply a salt refinery plant (vacuum evaporation, crystallisation) principles with a capacity of 5 tonnes/hr using crude salt as raw material to produce very fine table salt (99.5% - 99.8% NaCl).

The plant mainly consists of the following stages:

- Crude salt dissolution
- Evaporation & crystallisation
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The offer should include the following:

- The design, manufacture and supply of the machinery & equipment
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- Operating instructions
- Erection instructions
- Prices should be in itemised form
- Scope of delivery

The offer should be in the name of:

Att. Al Azraq Cooperative Society
P.O.Box 92
Al Azraq, Jordan

Plant Manager
Engr. Farhat A. Elacra

Serb-Croat fighting continues; prisoner swap in difficulties

BELGRADE (R) — Sporadic fighting between Serbs and Croats put a ceasefire in break-away Croatia under fresh pressure Saturday and a planned prisoner exchange was in danger of fizzling out.

Mortar bombs hit Pakrac, a town of mixed Serb and Croat population 120 kilometres east of the Croatian capital Zagreb overnight, damaging a shoe factory. Zagreb Radio also reported shooting incidents west of Krapina region, a Serbian-controlled enclave, and in Tenja, a village in a tense area of eastern Croatia.

No casualties were reported. Belgrade Radio said violence appeared to be easing though many armed groups have failed to comply with terms of the ceasefire, declared Wednesday, and pull back out of range of each other.

Federal officials, seeking to turn the ragged truce into a real peace that could lead to talks on the future of the Balkan federation, have sent teams to sensitive areas in eastern Croatia to monitor the truce.

But in Dali, a Danube village on Croatia's border with rival

Serbia where at least 80 people were killed in a Serbian guerrilla attack on Aug. 1, many Croats were too frightened to meet ceasefire terms.

The official Yugoslav News Agency, Tanjug, said members of a state ceasefire commission that visited the town of Osijek were met by a rowdy protest from Croats who denounced them as "Chetniks" — a term meaning they were siding with Serb extremists.

Attempts to arrange a Friday night swap of prisoners taken in the six weeks of fierce fighting between Serbian guerrillas and Croatian security forces failed. Tanjug said Serb and Croat officials, cooperating with the ceasefire commission, would try to set up a new prisoner exchange in meetings Saturday.

More than 300 people have died in fighting in Yugoslavia since June 25 when the Republics of Croatia and Slovenia declared independence.

Croatia's 600,000 fiercely nationalist Serbs oppose the republic's secession moves. Croatia says Serbian guerrillas, backed by units of the federal army, are

trying to map out the borders of a greater Serbia ahead of a break-up of the 72-year-old Balkan state.

Branko Kostic, Montenegro's man on the presidency and head of its ceasefire commission, said in an interview published Saturday that "the ceasefire cannot hold for long" without serious talks on the future form of Yugoslavia.

He told the Montenegrin daily Pobjeda he has major reservations about the willingness of Yugoslavia's leaders to start such talks, and did not exclude violence outside Croatia.

The looming danger now is that Serbs and Muslims, locked in fratricidal conflict in World War II, will also clash.

A meeting of the Conference on Security and Cooperation in Europe (CSCE), which ended in Prague, Czechoslovakia, Friday night called on the warring factions to begin peace talks within six days.

The CSCE, which includes the rest of Europe, the Soviet Union, the United States and Canada, offered to send a "good offices

mission" to Yugoslavia if help is needed to get talks started.

Croatia, seeking international recognition, has favoured foreign involvement. Above all, this should put political pressure on Belgrade, Croatian deputy premier Milan Ramljak told Austrian Radio Saturday.

Croatian President Franjo Tudjman said Saturday he feared the Yugoslav army planned a major offensive against his break-away republic.

"The situation is still not stable. The federal army is getting organised and reinforcing its positions in Slavonia (east Croatia), Serbia and Bosnia-Herzegovina," Mr. Tudjman said in an interview published by Belgium's La Libre Belgique newspaper.

"Everything leads us to believe that the army is preparing a large-scale attack on Croatia," Tudjman said only internationalisation of Croatia could end the conflict.

He welcomed a French proposal for a European buffer force to keep the peace but said it could only work if it was accepted by Serbia.

Vietnam makes sweeping cabinet changes

HANOI (R) — Vietnam's National Assembly elected a new prime minister and six other key ministers in an attempt to promote younger men with technical expertise needed for a change from central planning to a market economy.

Vo Van Kiet, a leader of the Viet Cong insurgency in the 1960s and 70s who later pioneered market-oriented reform in Communist Vietnam, was elected prime minister Friday.

And on Saturday the assembly's 490 deputies elected new foreign, defence, trade and interior ministers, a new head of the State Planning Committee, and a deputy prime minister, state-run radio reported.

Nguyen Manh Cam, Hanoi's ambassador to Moscow, replaced the veteran Nguyen Co Thach as foreign minister.

General Vo Nguyen Giap, a contemporary of the late state founder Ho Chi Minh who together bumbled the armies of France and the United States, retired from the government of what remains one of the world's poorest states.

The assembly elected Mr. Cam, a career diplomat who has had a close view of tumultuous changes in the Soviet Union and Eastern Europe, after Mr. Thach resigned the job he had held since 1980.

Voting in closed session at Ba Dinh Hall, in close Phan Van Khai, head of the State Planning Committee, as deputy prime minister, Voice of Vietnam radio said.

Mr. Khai and Mr. Kiet are younger technocrats with rare economic expertise in the Communist Party's ruling 13-man politburo.

General Doan Khue moved from army chief of staff and deputy defence minister to defence minister, succeeding Mr. Le Duc Anh.

Deputy Interior Minister Bui Thien Ngo replaced Mr. Mai Chi Tho as interior minister. Mr. Tho resigned in June from the politburo.

One government official said Mr. Ngo was expected to be "more open" than Mr. Tho, whose ministry expelled some foreign businessmen and journalists in the last two years after accusing them of being spies.

The assembly elected Do Quoc Sam to the ministerial-level post of head of the State Planning Committee, replacing Mr. Khai.

Le Van Triet was elected minister of commerce and tourism, replacing Commerce Minister Hoang Minh Thang. The assembly accepted the ministry to handle tourism.

Deputies accepted the resignation of Mr. Giap, 79, and Mr. Dong Sy Nguyen as two of the six deputy prime ministers. Political sources said this was done to streamline the cabinet.

Mr. Anh resigned as defence minister and Mr. Thang quit as minister of commerce shortly before the deputies voted.

The assembly had been expected to make important changes in the cabinet after the Communist Party replaced seven of its then 12 members of the politburo during a party congress in June.

Hanoi officials said the government was trying slowly to bring in younger leaders with technical expertise, rather than dogmatic older Communists, who could guide the transition from central planning to a market economy.

S. African extremists vow revenge over riot deaths

JOHANNESBURG (R) — South African white extremists Saturday vowed to avenge the deaths of two of their men killed during gun battles with police while trying to disrupt a meeting to be addressed by President F.W. de Klerk.

The violence erupted Friday in the Transvaal farming town of Ventersdorp when about 2,000 members of the Neo-Nazi Afrikaner Weerstandsbeweging (Resistance Movement) (AWB) and other pro-apartheid groups clashed with police guarding the hall.

"De Klerk will be known from now on as the butcher of Ventersdorp," said AWB Secretary-General Piet Rudolph.

Enraged, he told reporters: "De Klerk is heading for a war. There is nothing we can do but retaliate."

Rudolph was recently released from jail under an amnesty for political prisoners.

"Politics of the future have been drastically changed by this incident," said Jaap Marais, leader of the far-right Herstigte Nasionale Party.

It was the first fatal clash between police and the far right since Mr. De Klerk last year launched a programme of apartheid reform which aims to enfranchise the country's black majority.

Witnesses said the shooting started when AWB supporters stoned and fired at a minibus carrying blacks. Passengers were dragged from the bus and badly beaten. One was killed.

Police said they shot dead one white and another was crushed to death by a vehicle which careened out of control after being hit by AWB gunfire.

Only members of Mr. De Klerk's ruling National Party were allowed into the hanger-like hall, which was guarded by more than 1,000 police and fenced off with coils of razor wire.

AWB members, some armed with pistols, crossbows and hunting rifles, jeered and spat at the police before the rioting started. Dozens of police vehicles were sprayed with graffiti and had their tyres slashed.

Mr. De Klerk, whose speech was delayed by the protests, called the action "a black moment for democracy in South Africa" and extended his sympathy to the families of the dead.

Witnesses said Ventersdorp had returned to normal Saturday, although wrecked cars and police vehicles still littered the streets.

Police, who originally said three right-wingers and one black had died but later revised their total, said 48 civilians and eight police were wounded.

Political analyst Willem Kleynehaas said the bloody battle marked a new low in party politics among the Dutch-descended Afrikaner establishment.

"For the first time in the history of party politics in South Africa since (the republic was declared in) 1910, a real battle took place between Afrikaners," he said.

"It is no use one blaming the other. This has the origin in the overnight scrapping of apartheid without preparing for the consequences," Mr. Kleynehaas said.

Mr. Kleynehaas predicted further confrontation between police and AWB supporters. "The AWB and others are going to get more daring and desperate," he said.

African National Congress (ANC) President Nelson Mandela said the clashes were a direct result of the AWB's culture of political intolerance.

"The government has allowed this paramilitary force to become a law unto itself... the patience of the government with an organisation that promotes fascist white supremacist ideas is a danger to the negotiation process," he told reporters.

Soviet Union treaty signing to wrap up by fall

MOSCOW (Agencies) — President Mikhail Gorbachev has laid out a schedule for nine of the 15 Soviet republics to sign his proposed union treaty by early October, a news agency reported Friday.

The nine republics comprising 90 per cent of the Soviet population have agreed to keep the country together, although not all have approved the draft treaty.

Five have refused to stay in the union and one was undecided. Completion of the treaty would cap a long-fought battle between Mr. Gorbachev and republic leaders over control of policies and wealth on their territory.

It would replace a 1922 document consolidating the Soviet Union. Russia, Kazakhstan and Uzbekistan have said they will sign the treaty Aug. 20 in St. George's Hall in the Kremlin.

Kazakh President Nursultan Nazarbayev said at least two other signing sessions would be held when the remaining republics would initial the document, the independent Interfax News Agency reported.

The second session would be held Sept. 1 and the third Sept. 20, he said, Interfax reported.

The Russian government-run Russian Information Agency, quoting reliable sources, said Friday that Mr. Gorbachev has suggested Byelorussia and Tadzhikistan sign on Sept. 3. There was no explanation for the discrepancy in dates.

The Russian agency said Turkmenia and Kirgizia would sign on Sept. 20, and that the Ukraine and Azerbaijan could sign on Oct. 10.

The Ukrainian parliament is the only one to not yet approve the draft treaty. The lawmakers disputed sections dealing with taxes and other issues and put off consideration until September.

Meanwhile Lithuania announced the creation of an "arms fund" Friday, collecting weapons, ammunition and explosives to bolster its frontiers following a bloody attack on a border post that killed seven guards.

The announcement, printed in Vilnius newspapers, reflected growing unease in Lithuania over how to proceed toward the independence it declared from the Soviet Union 18 months ago.

President Vytautas Landsbergis and other leading political figures have suggested the republic might have to resort to weapons to achieve its aims.

These statements represent a radical departure from Lithuania's traditional emphasis on non-violence in pursuing its campaign to secede.

The fund calls for gathering all legally registered weapons from groups and individuals in response to the actions of the "Omon and other repressive structures." It also urged the public to turn in illegal weapons.

Most Lithuanians hold the elite Omon units of the Soviet Interior Ministry responsible for the July 31 execution-style attack on the border post at Medininkai.

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China to join nuclear non-proliferation treaty

PEKING (R) — China has decided to sign the nuclear non-proliferation treaty, Chinese Premier Li Peng told Japanese Prime Minister Toshiki Kaifu Saturday.

"China has basically decided to join the nuclear non-proliferation treaty," a senior Japanese official

quoted Mr. Li as telling Mr. Kaifu in a meeting at the Great Hall of the People.

Mr. Li said there were no conditions for China to sign the pact.

China was the only one of the

five permanent members of the United Nations Security Council which had not decided to sign the treaty, which bans the transfer of nuclear weapons technology to third countries.

France recently announced it would become a signatory.

2 Pacific states recommended for U.N. seats

NEW YORK (Agencies) — Calling it an "historic occasion," the Security Council has unanimously recommended that the Republic of the Marshall Islands and the Federated States of Micronesia be admitted to full U.N. membership.

The U.N. General Assembly, which grants membership, is expected to accept the council's recommendations when its 46th session begins on Sept. 17 and to admit the two states as the 162nd and 163rd members of the world body.

Council President Jose Ayala Lasso of Ecuador said that the membership for Micronesia "marks the culmination of efforts sustained over decades to help the people of Micronesia to take control of their destiny."

Likewise, he noted, membership for the Marshall Islands "reconfirmed the validity of universality of the United Nations which calls upon all states large and small... to participate in areas of decision-making in strengthening international peace and security and cooperation among peoples."

The two South Pacific nations were to have been recommended during the meeting which accepted the applications of North and South Korea on Aug. 8. The council delayed the decision for 24 hours at the request of the Soviet delegation "to permit them... to get the appropriate voting instructions."

U.S. Ambassador Thomas Pickering said.

Both nations were part of the 11 U.N. Trust Territories established in the U.N. Charter to promote the territories toward self-government or independence. They comprised two of the four districts of the 7.8-million-square-kilometre island group of the Trust Territory of the Pacific Islands, administered by the United States. (The Northern Marianas opted for Commonwealth status with the United States and Palau remains a trust territory).

The broadcast may have been intended to do just that. Japanese news reports said Mr. Kaifu planned to reiterate Japan's regrets over the invasion.

During a brief photo session before beginning closed-door talks, Mr. Kaifu expressed concern for Chinese flood victims. About 2,000 people have died in the recent floods which have ravaged parts of China.

En route to Peking, Mr. Kaifu viewed heavily flooded areas near Shanghai from his plane. He is expected to offer China more aid for flood victims.

Mr. Kaifu planned to press Chinese officials to join international efforts to curb arms sales, and to relay Japanese concerns over human rights in China. But Japanese diplomats say Japan will not demand specific action regarding human rights.

Other issues expected to be discussed include trade, economic development, the Cambodian peace process and efforts to reduce tensions on the Korean peninsula.

Japan also wants China to sign the Nuclear Non-Proliferation Treaty and to support a pact under which all conventional arms exports must be reported to the United Nations.

China is the world's third-leading exporter of conventional weapons, according to U.S. government figures.

Kaunda re-elected party chief, vows to win polls

KABWE, Zambia (R) — President Kenneth Kaunda was unanimously re-elected leader of Zambia's ruling UNIP Party and immediately promised to win the first multi-party election in 18 years.

"We as a party are now ready. UNIP is ready to beat all those who dare to enter the contest in every constituency in the country and let there be no mistake about that," Mr. Kaunda told 6,000 cheering delegates at an emergency UNIP congress.

The 67-year-old Kaunda, in power since Zambia's independence from Britain in 1964, said he would announce an election date after dissolving parliament next week. He has promised to hold the poll by October.

UNIP (United National Independence Party), its popularity

plummeting after 17 years of one-party rule, called the congress to reform and give itself a chance of winning the elections Mr. Kaunda has reluctantly agreed to.

Under pressure from his countrymen and foreign donors, Mr. Kaunda ended one-party rule last December.

The congress at Mulungushi Rock of Authority, the founding place of the 32-year-old party about 200 kilometres from the capital Lusaka, voted in a slimmed-down Central Committee of 34.

"UNIP's new unity has been born out of a new democratic process within the party in which there was open and heavy competition for positions of leadership at the key levels... we must accept the results," Mr. Kaunda said.

Astronaut Jim Irwin dies

DENVER (R) — James Irwin, a former astronaut who walked on the moon in 1971 and later organised expeditions to search for Noah's Ark, died of a heart attack at the age of 61, colleagues said.

Mr. Irwin, the first to die of the 12 U.S. astronauts who walked on the moon, had suffered three previous heart attacks and undergone heart bypass surgery.

A spokeswoman at Valley View Hospital in Glenwood, Colorado, said he died there on Thursday night.

An official at the High Flight Foundation, a non-profit Christian group Mr. Irwin founded af-

ter retiring from the National Aeronautics and Space Administration (NASA) and the U.S. Air Force, said he died of a heart attack.

A member of the Apollo 15 space mission, Mr. Irwin landed on the moon on July 26, 1971. It was the fourth flight to the moon and the first in which astronauts used the Lunar Rover, an electric-powered go-cart used to drive on the moon's surface.

Mr. Irwin once described his flight to the moon as a religious awakening and in August 1972, a month after retiring with the rank of colonel, he founded High Flight, in Colorado Springs.

USS Midway to retire after 46 years of service

YOKOSUKA, Japan (AP) — "Sayonara Japan," says a giant banner stretched along its gangplank.

Built at the height of World War II, but now a symbol of close U.S.-Japan ties, the famed aircraft carrier USS Midway sails from here Saturday on its last scheduled voyage.

Rows of sailors in white suits lined the ship's deck and waved at spectators on shore. A brass band played on the dock, and children and women waved back, at least one with tears rolling down her cheeks.

Several small, colourful boats bobbed in the water near the aircraft carrier, some carrying banners with slogans. Television reporters said they belonged to Greenpeace, which said earlier it would protest the nuclear weapons it says are on board the Midway.

A group of about 30 Japanese shouted anti-nuclear slogans from a forested bluff above the port. The United States government refuses to confirm or deny the presence of nuclear weapons on board its ships.

The only U.S. carrier based outside the United States, the Midway's home port was Yokosuka for 18 years of its 46-year career.

Its destination now is Hawaii.

The ship will be replaced by the USS Independence, which left San Diego Monday for Japan.

"The Midway has forged so many strong bonds with Japan that it's hard to leave," ship executive officer John Schork said. "It's become an institution."

To proud crew members, the Midway's advanced age subtracted nothing from its aura as the most experienced of the navy's 15 deployed aircraft carriers.

"It's not as comfortable a ship to live on, but everyone on board has always made it more fun to be here," said Jack Doyle, second in command in the flight control room.

Deep under the 69,000-tonne ship's four-acre (1.6-hectare) flight deck, in the blistering heat of the boiler rooms, plaques on machines still read "1944."

"The first time I saw the equipment, I was amazed. It was like looking at a model T," said boiler technician first class Robert Borset.

Earlier this week, crewmen lit the powerful boilers for the final trip, using an old-fashioned hand-bell torch that was set on fire, as usual, with a cigarette lighter.

The ship, a victim of a shrinking U.S. defence budget, is to be mothballed.

Menem shrugs off alleged assassination plot

BUENOS AIRES, Argentina (R) — Argentine President Carlos Menem has dismissed reports about an alleged plot to kill him stemming from a firearms and explosives cache discovered by police in a flat overlooking his official home.

Local newspapers had speculated about an assassination plot after police late Thursday found dynamite, a rocket launcher, grenades and anti-tank rockets, gun ammunition and two rifles in a flat with a clear view of the presidential residence and its helicopter pad in the capital city's suburb of Olivos.

Mr. Menem, 61, shrugged off the reports and repeated a phrase he has used when referring to the risky sports he favours: "No one dies the day before he is supposed to die."

"These reports only make the community nervous. I reckon that if there were an attempt against the president many people would be very glad, so we must take it with a bit of humour," he told the Argentine News Agency (Telam).

The private Noticias Argentina reported that a local judge was leading an investigation into the arms cache and that one woman named Maria Mayde Zabaly had been detained at the flat.

Meanwhile Argentina holds mid-term elections in three of its 23 provinces Sunday, a first test at the polls for President Menem since he took office in July 1989.

The vote for national congressmen and provincial officials will have a strong local element but analysts said the outcome will also measure confidence in the ruling Peronist Party.

Sunday's elections will also set the stage for Sept. 8, when 12 provinces and the federal district go to the polls.

Mr. Menem, who swept into power by a landslide, has seen his popularity plunge this year, weighed down by scandals involving relatives in a money-laundering case and aides in influence-peddling inquiries.

In a recent Gallup poll, only 25 per cent of respondents gave Peronists a good rating. Half those polled were sceptical that

Mr. Menem's administration would solve Argentina's woes.

Argentina's once moribund economy is showing strong signs of recovery. Inflation is tapering down to a level similar to those in industrialised countries and foreign investors are coming in.

Mr. Menem, in an effort to boost Peronist chances in the polls, is claiming credit for the economic euphoria Argentina is enjoying after years of stagnation.

"The economy works well and succeeds when there is a strong political power backing it, and that is what is happening right here," he told a television interviewer late Thursday.

Mr. Menem, who has pledged to stick to his free-market programme no matter who wins the elections, trumpeted other recent achievements. Unemployment dropping, purchasing power picking up and trade with neighbouring countries on the rise.

He also billed as triumph his decisions to resume diplomatic relations with former foe Britain, send warships to the Gulf, settle century-old border disputes with

Chile and side with Washington on major international issues.

Independent polls suggest that Peronists will lose ground in the elections in other districts scheduled for Sept. 8 and Oct. 27.

Peronists govern 17 of Argentina's 23 provinces and has a slim majority over the main opposition party, the Radical Civic Union, in congress.

While Mr. Menem hopes to win in 10 provinces, polls indicate Peronists stand to keep about six.

The surveys, however, suggest that the ruling party will still have the largest bloc in the lower house of congress after the elections.

A Peronist defeat does not imply a victory for the centrist radicals because provincial parties with platforms similar to Mr. Menem's free market programme are tipped to win in six provinces.